

The dynamic of the process of regional integration: an analytical view about the role of the executive and legislative powers in Brazil and in Canada

Carlos Ricardo Caichiolo

Resumo: para entender melhor a posição internacional de um país é importante identificar setores domésticos, lobbies internos e preferências governamentais relacionadas à integração econômica; verificar recursos de naturezas política e técnica que os protagonistas mobilizam para ampliar as bases de legitimidade durante o processo de integração e para garantir a realização de seus interesses e objetivos; e, finalmente, reconhecer quem é quem durante as negociações. A participação de instituições internas que são responsáveis pela condução da política externa é condição *sine qua non* para a assinatura de acordos internacionais e sua posterior incorporação ao sistema jurídico doméstico. Essas estruturas nacionais e os mecanismos de aprovação de acordos internacionais são distintos entre países e representam papéis fundamentais durante os processos de internalização. Este artigo tem a intenção de analisar as dimensões internas do processo de integração regional, por meio de um estudo sobre o comportamento de instituições nacionais, em particular o papel do Executivo e Legislativo no Canadá e no Brasil. O artigo fornece uma perspectiva sobre países que já são membros de blocos de integração - o Canadá, no North American Free Trade Agreement (NAFTA), e o Brasil, no Mercado Comum do Cone Sul (Mercosul). Finalmente, há uma análise comparativa entre os mecanismos internos de cada país participante.

Abstract: in order to better understand the international position of a country it is useful to identify domestic sectors, internal lobbies and governmental preferences related to economic integration; to verify resources of political and technical nature which protagonists mobilize to broaden their bases of legitimacy during the process of integration and also to guarantee the achievement of their interests and objectives; and to recognize who is who during negotiations. The participation of internal institutions that are in charge of the foreign policy is *sine qua non* for the signing of international agreements and their posterior incorporation into the domestic legal system. These national structures and mechanisms of approval of international agreements are diverse among countries and have major roles during the processes. Hence, this paper sets out to provide an analysis of the internal dimensions of the process of regional integration, through a study about the behavior of national institutions, especially the role of the Executive and Legislative in Canada and in Brazil. It offers an outline of countries that already are members of integration blocs – Canada in the North American Free Trade Agreement (NAFTA), and Brazil in the Common Market of the South (Mercosur). It

also furnishes a comparative analysis of the internal mechanisms of each participant.

Introduction

An important feature of the internal dimension of the process of regional integration in any country is the role that is played especially by the Executive and Legislative powers, concerning foreign policy. The question related to the capacity of negotiating and signing international treaties appeared in the modern age. Without the division of powers, the Chief of the State had unlimited capacity to represent the State and to negotiate international treaties – during the absolutist monarchy the sovereign had the exclusive authority to represent the State as his possession: “*l’État c’est moi*”. Kings, monarchs, princes and emperors themselves concentrated all functions of the State, legislating, judging and executing. Only after the French and American revolutions in the eighteenth century these constraints changed and a new structure of the State emerged, as thought by Locke and Rousseau. The development of the principle of democracy and the tripartite power as conceived by Montesquieu changed the method that ruled international treaties. As Jackson states, “*by the nineteenth century a distinction developed between making, executing, and interpreting laws. This distinction led to the tripartite division of institutions known today as legislatures, executives, and the judiciary that are outlined in current constitutions...*” (Jackson, 2004: 41).

From a sovereign’s early practice of taking a simple act or utmost to delegate it to a chosen employee, the process of negotiation of treaties has turned into a very complex procedure, which normally engages at least two parties of the power, the executive and the legislature. The titular of the representation of the State regarding other nations remained, in almost all countries, the Chief of the Executive. He (she) has the prerogative to start negotiations and implement arrangement, and as a general rule he (she) submits these treaties to ratification by the Parliament. However, what really happens is very distinct from what is written in each country’s

Constitution. As Jackson puts it (2004: 41), “*the extent to which a legislature provides balance and holds the executive accountable differs in ... North American governments and around the world. There are differences in structure, membership, power, function, and even public support*”. Therefore, it is important to remark that *the way governments really work* is determined by a multiplicity of factors such as party systems, culture, ideology, history, interest groups, lobbies and informal norms.

Brazil and Mercosur

Mercosur is the result of a long negotiation process that began back in 1960 with the creation of the Latin American Free Trade Association, which was substituted by the Latin America Association of Integration, in 1980. The development of a closer approximation between Brazil and Argentina that began with the signing of the Accord for the Argentina-Brazil Integration in 1986 was definitely another relevant antecedent for the future of the regional agreement.

At that time, the role played by both Presidents (Raul Alfonsín from Argentina and José Sarney from Brazil) was fundamental, since both countries had recently gone several years through dictatorial governments. According to Albuquerque, “... *Raul Alfonsin’s administration had been challenged by a series of military “pronunciamientos”, and co-operation with the Brazilian government was supposed to be instrumental to the mutual protection of such infant democracies against the risk of new military interventions in both countries, especially in Argentina*” (Albuquerque, 2001: 4).

Close relations between Argentina and Brazil continued in the following government. On March 26th 1991, with Argentina’s Carlos Menem and Brazil’s Fernando Collor de Mello, besides the presidents of Uruguay and Paraguay, the four countries signed the Treaty of Assunción which formally created Mercosur. The signing of the agreement was pressed by

the announcement of Bush, the father, “Initiative for the Americas”. In fact, despite the goals of raising trade and political cooperation among the members of the bloc and enhance the region’s competitiveness in the international markets, it is possible to identify some other reasons for the signing of Mercosur: a) the Brazilian government was worried about an increasingly approximation of Argentina to the United States and considered Mercosur as one privileged forum to influence its new partner; b) the Brazilian diplomacy intended to prevent the national economy from additional interdependence with the economy of the United States; and finally, c) through the implementation of Mercosur Brazilian economy would avoid isolation in the region in case of agreements among its neighbors and the United States. Still, as Albuquerque affirms, *“the shared vision that the adjustment to a globalized economy and to enhance external competitiveness would be smoother if linked to stronger regional competition led to the so-called open regionalism. And the resulting enlarged economic interdependency was supposed to grant the increased political co-operation needed to overcome pressures opposing the reforms”* (Albuquerque, 2001: 6)

The Treaty of Assunción was a framework accord that defined the objectives of the integration process and the mechanisms required to achieve them, and also contained the decision of the four members to broaden the bounds of their own national markets as a way of achieving better access to the international trade. The Treaty’s main objective was the constitution of a large economically integrated region, of whose stage was a free trade area as a first stage and subsequently, the formation of a customs union. For the constitution of Mercosur, the Treaty of Assunción foresaw a trade liberalization programme, with progressive reduction/elimination of tariffs and exclusion of non-tariff restrictions. The next steps were the creation of a Common Union through the establishment of a Common Foreign Tariff in order to avoid competition among the members, and also the harmonization of some macroeconomic measures. The Protocol of Brasília, which was also signed in 1991, set up the Mercosur’s dispute resolution

system (it was later replaced by the *Protocol of Olivos*, in 2002). The *Protocol of Ouro Preto*, signed by the four countries in December 1994, officially established the constitutional framework of Mercosur and gave life to the community under international law, attributing legal authority to negotiate agreements with third party countries, other regional blocs and international organizations.

Who was/is the Brazilian domestic institution in charge of negotiations in Mercosur The presidential system in Brazil is characterized by a principle of separation of powers between the legislative and the executive branches of government (very similar to the United States' mechanism), which is the opposite principle that characterizes the Canadian parliamentary government. This was a deliberate decision in order to guarantee a system of checks and balances inside the Brazilian government – the President of the Republic chooses his own staff to compose a team of Ministers, who can be civil servants, specialists from the private sector and members of the Congress. If a Deputy or Senator is chosen he/she must leave its place in the Congress to a previously indicated substitute, in order to avoid accumulation of responsibilities. The legislative branch is composed of a Congress with two houses (bicameral) – a Chamber of Deputies with 512 Deputies elected to four-year terms, and a Senate with 81 Senators elected to eight-year terms.

According to the Brazilian Constitution, the capacity of the executive power to keep relations with foreign states and to participate in international organizations is exclusive. It also establishes that it is a restricted competence of the President of the Republic to sign treaties and international conventions, which must be later approved (or not) by the Congress (each House separately). Thus, negotiations and the signing of agreements, including those concerning Mercosur, are made by the Chief of Executive himself or by the diplomatic staff, who have received the authorization from the executive government.

The Presidency and the Ministry of Foreign Affairs are in charge of foreign policy. The Brazilian Ministry of Foreign Affairs, also known as *Itamaraty*, is responsible for advising the

President on the formulation and execution of foreign policy and it works closely with other Ministries that are also involved in related issues. In fact, *Itamaraty* has been responsible for the high level of continuity and predictability in the main trends and orientations of the Brazilian foreign policy since its independence in 1822, and it continues to be the most important and influential one among Brazilian institutions related to foreign issues. Concerning Mercosur, *Itamaraty* has made (and still makes) efforts to coordinate different positions and points of view inside the government, which often emanate at the same time, about the same subject, and from diverse sectors. In that sense, habitual preparatory meetings are scheduled with assessors specialized in the international field who come from almost all Ministries of the government. At the end of these sessions, *Itamaraty* has a joint position to take to the Mercosur's meetings. Because of the increasingly importance of the international trade, the Ministry of Development, Industry and External Trade has great influence on the agenda of the *Itamaraty*.

Concerning the participation of the civil society, a poor involvement during debates about Mercosur is evident – in fact, *Itamaraty* has to stimulate and provide conditions to increase the participation of private sectors. Political parties in Brazil do not have a tradition of strong positions regarding international issues, and most of them almost ignore them – in fact, with reference to Mercosur there is a sort of mute consent. FTTA, however, has been attracting much more attention.

Although the formal responsibility for foreign policy falls primarily both on the Presidency and on the Ministry of Foreign Affairs, it is possible to affirm that the latter can be considered the *factual* actor. It is important to remark that the current and the former Brazilian Presidents – respectively Luís Inácio “Lula” da Silva and Fernando Henrique Cardoso – develops/developed a “presidential diplomacy”, which means an amplified personal participation and involvement with foreign affairs. However, the whole structure and the guidelines for negotiations in Mercosur (and in other forums) are essentially furnished by *Itamaraty*.

According to the Brazilian Constitution, when an international treaty is signed by the executive power it must be approved by the legislative (through a “legislative decree”), and later it has to return to the President of the Republic to be ratified. Thus, the process of elaboration of international treaties is a very complex and often time-consuming procedure, in which there is a first and direct participation of the executive, mainly during the negotiations, and an indirect participation of the legislature. As the Brazilian legislature is bicameral, with a Senate and a Chamber of Deputies, international agreements are analyzed twice, by each Commission of External Relations and National Security (CERNS’s). The CERNS’s are composed of 19 Senators and 25 Deputies. Generally the proposals of the executive related to international agreements are approved without any problem.

Historically the Brazilian Congress has not been participative nor has demonstrated great concern about foreign affairs. Just only recently have Deputies and Senators increasingly begun to involve themselves in external issues, specifically through the participation in the debates in the CERNS’s. A stronger pressure [can explain the augmentation of the concern of the members of the legislative] from interest groups (mainly from the agriculture and industrial sectors), lobbies and a broader attention from the media. Finally, the implementation of Mercosur and the beginning of the negotiations for the Free Trade Area of the Americas (FTAA) stimulated the raise of involvement by the legislative. The role of the Brazilian legislative has grown during the last ten years and it can be improved with the upcoming creation of the Parliament of Mercosur, which was already approved through an agreement between the Council of the Common Market and the Parliamentary Joint Commission. Nevertheless, the participation of the legislature remains weak.

Canada and NAFTA

Before analyzing the internal institutions in Canada it is

worth examining the distinctions between its parliamentary system and Brazil's presidential system, in order to verify if this distinction has some influence on the approval/refusal of international agreements internally in each country (table 1).

TABLE 1 – Framework of internal institutions

	BRAZIL	CANADA
Form of government	Republic	Monarchy
Form of State	Federal (Centralized)	Federal (Highly Decentralized)
System of government	Presidential-Congressional government based on a separation of powers (autonomy)	Parliamentary-Cabinet government based on concentration of power
Constitution	Written	Written + high level of established usage, convention or custom.
Executive	President + Ministers	Prime Minister + Cabinet
Legislative	a) Chamber of Deputies: composed of 512 elected Deputies, distributed according to the population of each State b) Federal Senate: composed of 81 elected Senators, 3 for each State of the Federation;	a) House of Commons (Lower House): composed of 301 members, who are elected to represent the people of their electoral circumscription. b) The Senate (Upper House): has 105 members who are selected by the Governor General on the advice of the Prime Minister in order to represent interests of regions, provinces or territories.
Political regime	Democracy	Democracy
Head of State	President of the Republic	The Queen, ordinarily represented by the Governor General
Head of Government	President of the Republic	Prime Minister
Differences concerning the Head of State and Head of	The President cannot be a member of either House of Congress. Neither can	The Prime Minister and every other Minister must by custom (though not by

Government	any of the members of his or her Ministerial staff (to avoid accumulation of responsibilities). Neither the President nor any member of the Ministerial staff can appear in Congress to introduce a project of law.	law) be a member of one House or the other.
Political Parties	Presently fifteen parties.	Three parties that have been active for a prolonged period of time: the Progressive Conservatives, the Liberals and the New Democrats.
Mandate for elected members:	The President and every member of both Houses are elected for a fixed term: the President for four years (there is the possibility of reelection), the Senators for eight (one-third/two-thirds standing for election every four years), and the Deputies for four.	No one is elected for a fixed term. However, a Parliament cannot last longer than five years, after which a general election must be held.
Laws/bills	Introduced by Deputies and Senator. The President cannot appear in Congress to defend his propositions.	Introduced by a Minister or someone on his behalf; he/she must appear in Parliament to defend government bills
Veto	The President can veto laws approved by both the Senate and the Chamber. But Congress can override this veto by a two-thirds majority in both Houses.	The Government introduces all important legislation, and all bills to spend public funds or impose taxes must be introduced by the Government and neither House can raise the amounts of money involved. As long as the Government can keep the support of a majority in

		the House of Commons, it can pass any legislation unless an adverse majority in the Senate refuses to pass the bill (which happens very rarely).
Possibility of interrupting the executive mandate before the closing date	Only in case of the impeachment of the President by the Congress. It happened once, in 1991, with President Fernando Collor de Mello.	If the Executive loses its majority support in the House of Commons, it must either leave its position to a government of another party or call a new election for a new House of Commons, which will choose a new Prime Minister.
Possibility of dissolving the Congress/Houses	No. Even if the President belongs to one party while the opposing party has the majority in either the Senate or the Chamber of Deputies. Consequently, the President may have his policies stopped by an adverse majority in one or both Houses.	Yes. The Prime Minister can dissolve an adverse House of Commons by ordering a new election.

Sources: Jackson, Robert J. & Jackson, Doreen. *Politics in Canada: Culture, Institutions, Behaviour and Public Policy*. Ontario, Pearson Prentice Hall, 1998; Jackson, Robert J., [et al.]. *North American politics: Canada, U.S.A., and Mexico in a comparative perspective*. Ontario, Pearson Prentice Hall, 2004; the Parliament of Canada Web Site (www.parl.gc.ca).

Canada is a federal constitutional monarchy. The Governor General governs through a Cabinet, headed by a Prime Minister (executive), while the legislative is composed by the Queen (Head of State), represented by the Governor General, the selected Senate and the elected House of Commons. The Senate (Upper House) has 105 members who are selected by the Governor General on the advice of the Prime

Minister in order to represent interests of regions, provinces or territories. The House of Commons (Lower House) has 301 members, who are elected to represent the people of their electoral circumscription. The Canadian Constitution states that a Parliament cannot last longer than five years, after which a general election must be held.

The Canadian parliamentary system concentrates power, since its legislature and executive are fused. Differently from the Brazilian presidential-congressional government in which the President cannot be a member of the Senate or of the Chamber of Deputies, in the Canadian system the Prime Minister and every other Minister must be a member of one of the two Houses. Consequently, having a majority and the confidence of the Lower House, the Prime Minister and the Cabinet have enough authority to make several proposals and to get their approbation. In that sense, the Canadian system gives much more sureness on the fact that an international agreement proposed by the executive already has the consent of the legislative – in the Brazilian system, the chances that the legislative branch of the government will not agree with a proposition of the executive are higher (although this rarely happens).

The Committee System of Parliament is composed of four basic kinds: committee of the whole, standing committees, joint standing committees and legislative committees. In relation to free trade agreements such as NAFTA, the House of Commons Standing Committee of Foreign Affairs and International Trade (and also its Sub-Committee on International Trade, Trade Disputes and Investment) and the Senate Standing Committee on Foreign Affairs are the two main committees in charge of conducting the major studies about trade negotiations.

The Canadian system is much faster on the process of approving an international agreement than the Brazilian one - some Mercosur's agreements signed at the end of the 1990's have not yet been approved by the legislative because of the endless discussions inside the Commissions of External Relations and National Security. As the government, through its

majority in the committee and the Houses, controls the process in the Parliament in Canada, normally the approval of international agreements does not take too long. Although the Committee System was restructured in recent years, the lack of autonomy remains, since *“Committees can not operate unless their activities are specified in the Standing Orders or unless they receive a reference from the Houses instructing them to pursue a particular topic”* (Jackson, 1998: 319).

Like in Brazil, the responsibility for foreign policy in Canada remains in the executive, through its Prime Minister and its Minister of Foreign Affairs. Another similarity is that, in both countries, the participation of other sectors inside the government increased during the last years especially because of the beginning of the negotiations of regional agreements. According to Jackson (1998: 538) *“...in fact, until 1946 the Prime Minister personally retained the Foreign Affairs portfolio. It is only recently that foreign affairs have begun to involve the participation of other Cabinet members, as a result of efforts to strengthen the collective involvement of Cabinet in decision-making. Today, the insistence that the bureaucracy and ministers provide Cabinet with alternatives rather than allowing single-option recommendations and attempts to establish national priorities at the Cabinet level have helped to open the foreign-policy process to other departments and ministers”*. Therefore, if Canadians cannot be really sure if the North-American Free Trade Agreement (NAFTA) has brought huge trade benefits to their country¹, it certainly helped to increase the attention of the Parliament and the bureaucratic elite to the international scenario.

The Department of Foreign Affairs and International Trade (DFAIT) has the responsibility to conduct the foreign policy of Canada, and like its Brazilian counterpart, it attempts to coordinate various groups, departments and policies.

¹ Gould (1998: 20) affirms that *“after accounting for the effects of economic variables important to bilateral trade flows – such as income, exchange rates, and prices – NAFTA is found to have a significant positive effect on trade flows between the United States and Mexico. NAFTA is not found to have a significant impact on trade between the United States and Canada or Canada and Mexico”*.

Recently, the DFAIT had its structure changed in order to create two different ministers – the Minister of Foreign Affairs and the Minister of International Trade. The focus on International Trade is completely understandable since exports of goods and services last year accounted for 37.7 percent of Canada's GDP (exports of \$457,8 billion² and imports \$409,1 billion) and the stock of inward foreign direct investment accounted for 29.3 percent (see tables 2 and 3 below).

TABLE 2 – Exports of goods and services as percent of each country's GDP

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Canada	25.6	25.7	25.0	27.0	30.1	34.0	37.3	38.4	39.3	41.2	43.0	45.4	43.4	41.3	37.7
France	21.4	22.1	21.7	24.7	23.3	21.9	22.9	24.1	26.8	25.5	28.4	28.7	28.8	24.6	29.2
Germany	26.0	25.3	20.8	22.0	20.4	19.6	21.3	22.7	24.9	24.1	27.3	29.1	35.3	35.9	36.0
Italy	18.3	18.8	17.3	22.9	24.1	24.2	26.2	25.6	27.2	24.7	26.5	27.4	28.1	23.8	-
Japan	10.5	10.6	10.1	10.0	9.3	9.2	9.3	10.0	11.1	11.1	10.3	11.1	10.8	11.6	12.2
United Kingdom	23.6	24.1	23.1	23.5	25.4	26.5	28.3	29.3	28.6	26.6	26.2	27.8	27.0	25.8	24.7
United States	8.9	9.2	9.7	9.8	9.7	10.0	10.7	10.9	11.2	10.6	10.4	10.9	10.0	9.3	9.3
G7 Total	14.3	14.9	14.3	14.9	14.2	14.4	15.4	16.0	16.9	16.4	10.8	11.4	11.1	10.2	-
Russia	-	-	-	-	-	27.2	29.7	26.3	24.9	32.0	43.2	44.1	36.4	34.7	-

TABLE 3 – Stock of inward foreign direct investment as percent of each country's GDP

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Canada	18.6	19.3	19.7	19.7	19.5	20.1	20.8	21.8	22.0	24.0	25.7	29.6	30.8	30.1	29.3
France	6.2	7.1	8.0	9.5	10.6	12.1	12.3	12.9	13.9	17.0	17.0	19.9	22.1	28.3	-
Germany	6.2	7.1	7.5	6.4	6.6	7.7	7.9	8.3	9.1	11.9	14.3	25.2	22.3	22.7	-
Italy	5.7	5.3	5.1	3.9	5.3	5.7	5.8	6.1	7.0	8.6	9.2	10.5	9.9	10.7	-
Japan	0.3	0.3	0.4	0.4	0.4	0.4	0.6	0.6	0.6	0.7	0.8	1.1	1.2	1.5	-
United Kingdom	17.9	20.6	20.2	16.1	18.6	18.2	17.6	19.2	19.1	23.7	26.4	30.3	38.6	40.8	-
United States	6.8	6.9	7.1	6.8	7.1	6.9	7.3	7.7	8.3	8.9	10.4	12.4	13.1	12.9	-

² According to the Department of International Trade 83.8 % of the total amount of exports in 2003 went to the United States.

G7 Total	6.3	6.8	6.7	6.4	6.6	6.5	6.8	7.5	8.2	9.5	10.8	13.1	14.3	14.9	-
Russia	-	-	-	0.3	0.7	1.0	1.6	1.9	3.4	5.0	8.6	6.9	6.5	6.5	-

* A hyphen indicates that the data is not available

Source: "State of Trade Report 2004". *Department of International Trade, Canada, 2004.*

As showed above, this enormous dependency on external trade/investments is a unique circumstance that has to be considered during the behavior' analysis of internal institutions in Canada that deal with regional agreements. According to Cohen (1996: 239), "*in the broadest sense, the creation of a free trade area in North America can be viewed as the logical culmination of a pattern of increasing commercial integration among the private sectors of the three countries constituting the region. The specific and immediate catalyst was the emergence in the early 1980s of economic problems in Canada in Mexico*".

Concerning NAFTA, the executive of Canada, and more specifically Prime Minister Mulroney, was essential to implementing the agreement and even the previous free trade agreement (FTA) with the United States - in late 1985 Mulroney requested to the Reagan Administration to start the negotiations that would lead to the implementation of the FTA. According to Jackson (1998: 538), "*Prime Minister Mulroney's implementation of a free trade arrangement with the United States in 1988 and the signing of the North American Free Trade with Mexico and the United States in 1992 are dramatic examples of a strong role the prime minister plays in foreign affairs*". He also mentions (2004: 222): "*in seeking free trade with the United States, in other words, Mulroney was going not only against a considerable legacy in national public policy but also challenging Canada's historic sense of self*". It is important to remark that Mulroney's massive win in the elections in September 1984 against the formal prime minister, the Liberal leader John Turner, gave him enough Parliament support³.

The Royal Commission on the Economic Union and

³ This was one of the greatest defeats in Canadian history, with the Liberals winning only 40 seats to the Conservative's 211 (Jackson, 2004: 155).

Development Prospects for Canada (the Donald Macdonald Commission) also played a major role in favour of general free trade through its 1985 report. In fact, several other factors influenced the signing of both FTA and the later (retirar) NAFTA, such as a) the above mentioned arrival of the Conservatives in office in 1984, who were against the “hesitant” sectoral free trade position supported by the Liberals, b) the reversal of Mulroney’s position against free trade; c) the fear Canadians exporters had of increasingly American protectionism caused by its deficit; d) major trade disputes between the two countries were taking place, such as about softwood lumber, and red cedar shake and shingles, for example; e) favorable interest groups in Quebec and the support of the western provinces; and f) the fact that the Liberals did not oppose to NAFTA during the 1993 general election. Additionally, as Cohen affirms (1996: 239), *“in the mid-1980’s, Canada’s political leaders had become seriously worried about market access to what is by far Canada’s largest overseas market....(and) there was a perception of a dangerous upsurge in U.S. measures to counter what U.S. government officials and affected industry executives alleged were unfair Canadian trade practices”*.

NAFTA was also a reaction from the Canadian government to the negotiations that had begun between the United States and Mexico in order to create their own bilateral free trade agreement. The new agreement incorporated FTA clauses and enlarged them with rules about intellectual property, national treatment and medical services. Labor and environment issues worried the Canadian Parliament, which approved the legislation and allowed the executive to implement the accord, but with the condition that those issues would be discussed in separate treaties.

Conclusion

The roles of the executive and the legislative branches of government in Canada and in Brazil concerning the negotiation

of international agreements - respectively the FTA/NAFTA and the Mercosur – were quite similar, despite the high level of disparities between their internal institutions. While the Canadian parliamentary system concentrates power through a fusion of legislature and executive, the Brazilian presidential-congressional system is focused on the existence of checks and balances between the legislative and the executive.

In the Brazilian case, the role of the Ministry of Foreign Affairs – *Itamaraty* – was fundamental to furnish the guidelines of the conduct towards the signing of Mercosur, based on an economic and political perception. In fact, the Brazilian goals were to increase its trade and integration with its partners in Mercosur and also to avoid a stronger penetration of the commercial influence of the United States in the region. The role of the Brazilian President at that moment was more “allegorical”, while the legislative ratification was merely a formality.

In Canada’s case, the personal involvement of Prime Minister Mulroney was fundamental to the signing of FTA, which was the first step until the later signing of the NAFTA, and it was based mostly on an economic perception. The main objective was to guarantee the market access to the United States. The Department of Foreign Affairs and International Trade did not play a major role in relation to FTA/NAFTA compared to its Brazilian counterpart – *Itamaraty* – played (retirar) with reference to Mercosur. The legislative ratification, as in the Brazilian case, was a formality. While the Brazilian position towards Mercosur was related to a fear of economic domination of the United States in the region, the Canadian position towards FTA was exactly the opposite: to admit the inevitable intricate tie to the United States economy and to overcome generations of fears of economic dominion.

In conclusion, a comparative study of the behavior of the Executive and the Parliament both in Brazil and in Canada concerning regional agreements demonstrates that two different approaches have to be taken into account. On one hand, traditional and static fundamentals of internal institutions dominate the decision-making process. Reduced to the bottom-

line simplicity, the organizational system of the executive and the legislative branches of the government is described in the Constitution, as well as the rules and responsibilities that must be performed by their representatives. The knowledge about the structure, functions, membership and power of the executive and the legislative is essential to frame the analysis about the whole process of making, executing and interpreting laws.

On the other hand, despite the crucial importance of analyzing the traditional fundamentals of internal institutions, it is patent that there are plenty of distinctive conditions about the nature and the decision-making process of regional agreements that must also be considered. Environment, political parties, different contexts, internal and external constraints, interest groups, lobbies and a variety of other factors and actors have direct influence on the behavior of national institutions.

Bibliography

ALBUQUERQUE, José Augusto Guilhon (2001). *Political Cooperation in Mercosur*. Chatham House Mercosur Study Group.

COHEN, Stephen; PAUL, Joel; BLECKER, Robert (1996). *Fundamentals of U.S. Foreign trade policy: economics, politics, laws and issues*. Colorado: Westview Press.

Cuccioletta, Donald, ed. (2001). *Le grand récit des Amériques. Polyphonie des identités culturelles dans le contexte de la continentalisation*. Québec : Presses de l'Université Laval.

Department of International Trade Canada: State of Trade 2004. (<http://www.dfait-maeci.gc.ca>)

GOULD, David M. (1998). Has NAFTA changed North American Trade?. In: *Economic Review*, Federal Reserve, Bank of Dallas, p. 12-23.

JACKSON, Robert J. & JACKSON, Doreen (1998). *Politics in Canada: Culture, Institutions, Behaviour and Public Policy*. Ontario: Pearson Prentice Hall.

JACKSON, Robert J., [et al.] (2004). *North American politics: Canada, U.S.A., and Mexico in a comparative perspective*. Ontario: Pearson Prentice Hall.

KAHLER, Miles (1995). *International institutions and the political economy of integration*. Washington: Brookings Institution.

KEOHANE, Robert O. (1984). *After Hegemony: cooperation and discord in the world political economy*. Princeton University Press.

MILNER, Helen (1988). *Resisting protectionism: global industries and the politics of international trade*. Princeton: Princeton University Press.

MILNER, Helen; KEOHANE, Robert (1996). *Internationalization and domestic politics*. Cambridge: Cambridge University Press.

ROGOWSKI, Ronald (1989). *Commerce and coalitions, how trade affects domestic political alignments*. New Jersey: Princeton University Press.

TURCOTTE, Sylvain F. (2001). *L'intégration des Amériques. Plein feux sur la ZLEA, ses acteurs, ses enjeux*. Canada: Fides, La Presse.