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**LATIN AMERICA AND CANADA: ECONOMIC COOPERATION
IN A NEW WORLD ORDER**

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Abstract

The emerging new world order is creating new challenges and prospects for the development of bilateral and multilateral cooperation. Different regions of the world are establishing new political and socio-economic ties, creating new projects, and looking for ways of more effective cooperation. While Latin America is experiencing a crisis of classical integration projects, the countries of the region are looking for new opportunities of economic growth, as well as for new investors and new sales markets. This article examines the development of economic ties between Canada and Latin America in the 21st century. On the basis of UN data, government statistics, statistics of international organizations and expert assessments the article shows the problems and prospects for the development of the Latin American vector of Canada's foreign economic activity. The authors come to the conclusion that bilateral cooperation has both development potential and objective growth limits. The article analyzes the indicators of import and export, examines their structure, provides estimates of economists on the prospects for investment partnerships, and focuses on Canada's participation in Latin American projects within the framework of regional cooperation.

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1. Introduction

In 2017, Canada, the second largest country in the world, celebrated its 150th anniversary as an independent nation. In the academic community, attention has been repeatedly drawn to the role that this country has been acquiring in the world for over a century and a half, since now it belongs to the group of modern advanced democracies with clear distinctive features in its state structure, and Canada is "a member of the G7, and a country with a highly developed, open and diversified economy". According to experts, "Canada shows with its own experience what the role of a middle-rank power in the modern world can be." (Canada: current development trends, 2017)

The activation of the Latin American vector of international relations shows that the region is beginning to play a noticeable role in the system of international relations of the Western Hemisphere, and is interested in changing the structure of its economic ties with the states of North America, including Canada. Latin America is interested in reforming the system of international organizations in the region, including the Organization of American States, of which Canada is a member. These factors form the space of common interests of Ottawa with the Latin American nations. Both sides are interested in enhancing relations, as well as in increasing the efficiency of investment and trade partnerships.

Active cooperation in trade between Canada and Latin America began in 1994 with the signing of NAFTA (North American Free Trade Agreement). The creation and development of the organization turned the page of trade relations between Canada and Latin America. Over the past 26 years trade between these regions has been gradually gaining momentum. This article will examine the results of the development of bilateral trade in recent years.

Certain aspects of the relations between Canada and Latin America have already become the subject of special scientific research. In particular, it is worth noting a number of works (Heidrich, 2016; Komkova, 2012; Macdonald, 2016; McKenna, 2018) which studied certain aspects of the Canadian-Latin American dialogue, but did not conduct an in-depth analysis of the trade relations and the changes in the structure of imports and exports. The aforementioned authors turned to the trade and economic ties between Canada and Latin America, but did not formulate in their works a holistic view of the evolution of these ties in the new century, showing only individual plots and problems, and analyzing the cases of individual countries.

2. Problem Statement

At the beginning of the 21st century, Latin American countries have followed a similar path of political and economic development. Most of the states in the region have gone through an era of "turn to the left", when regional integration projects of various political orientations were developed. The crisis events of the mid-2010s, the political turbulence in the region, and a change in the political orientation of different governments, led to the instability of the integration projects (Jeifets & Khadorich, 2017), which forced most countries in the region to develop new interregional ties and build economic relations with "non-traditional" partners. At the same time, at the beginning of the 21st century there has been a reformatting of the system of international political and economic relations in the Western Hemisphere, a reformation of the Latin American vector of US and Canadian foreign policy.

In this regard, it has been in this century that different factors in the formation of Canada's new economic policy in Latin America have appeared, as well as new opportunities, but also factors hindering the development of bilateral ties. An analysis of the state of the economic relations between Canada and Latin America is becoming an important research task, which should include consideration of the results of bilateral relations by the beginning of the new century, and an overview of the structure of Canadian imports and exports in the Latin American region. Canada is gradually taking its place in the structure of Latin American countries' external relations, causing economic interest from both countries led by left-wing governments and countries led by right-wing forces, aimed at diversifying national economies, attracting new investments and finding new trading partners.

3. Research Questions

The main research questions of the article are the following:

- What achievements of the Canadian-Latin American economic relations by the beginning of the 21st century have been possible?
- How has the structure of Canada's imports and exports changed in the economic relations with Latin America?
- What are the main problems in the development of relations. What hinders development?
- What are the prospects for the development of economic ties, and what factors are there?

4. Purpose of the Study

The aim of the study is to show the features of the economic relations between Canada and Latin America in the 21st century.

5. Research Methods

This research is based on special scientific methods. In order to study the results of the cooperation between Canada and Latin America by the beginning of the 21st century a historical approach has been applied. The contemporary economic relations that take place between Ottawa and Latin America have been studied on the basis of an economic analysis (trade analysis, SWOT analysis). The subject of the research is the Latin American economic policy of Canada, and the object the economic relations of Latin American countries in the Western Hemisphere.

Within the framework of the study, a system-based method has been used within which the system itself refers to the economic relations between Canada and Latin America. We will examine elements of the institutional approach used in the formation of Canadian-Latin American relations. The authors pay attention to the role and place of national political and economic institutions in the formation of economic policies.

This research is based on UN data on international trade, as well as on publicly available economic statistics posted on government websites in Canada and Latin America. Official documents of the Canadian Foreign Ministry and diplomatic institutions of different Latin American countries have also been used.

6. Findings

In order to understand the peculiarities of the development of trade with Latin America, it is necessary to highlight the general trends in the development of trade relations between Canada in the new century. Over the past 20 years, Canada has slowly increased its export opportunities and built new trade links (Canada's State of Trade, 2021; Canada Product Imports from Latin America & Caribbean, 2018).

Since the inception of NAFTA, Mexico has been Canada's main and almost only trading partner in the region. However, in recent years, the share of exports to Mexico has been less than half of all exports to the region (Canada's State of Trade, 2021).

Canada is entering the markets of new countries in the region with which until recently it had almost no trade relations (Canada and Latin America and the Caribbean, 2020; Torres, 2007). With the exception of individual cases and the impact of crisis situations, the export volume has a small but stable growth in almost all countries of the Latin American sector (No Time for Complacency: A 21st Century Trade Strategy for Canada, 2015). At the same time, the total volume of exports is quite stable and has no tendencies either to a noticeable increase or to a noticeable decrease.

Based on the available data, we can see that two main categories can be distinguished in the structure of exports. The first category is cars, machines, mechanisms, high-tech goods for production and various high-value resources. The level of technological development in Canada is undeniably higher than that in many Latin American countries and, as a result, specialized equipment and high-tech products manufactured in Canada are in high demand in Latin America. The second category represents various food products together with organic products that contribute to their production: all kinds of cereals, fruits, nuts, meat. Many products in this category may require high-tech production methods or specific conditions. Also, factory production of many products of the category allows them to lower their prices and make them competitive in the markets of the region. Separately, it is worth highlighting the export of fuel and its derived processed products, which still occupies a high position but has fallen in volume almost twice compared to the last 2-3 years. It should be noted that in addition to the export of goods, Canada is increasing the export of services. Unlike trade in goods, trade in services comprises the sale of services, intellectual and electronic resources, and access to technologies and ideas. This kind of export has a stable annual growth throughout the region.

The highest-growing trend in imports is precious stones and precious metals. Over the past 2-3 years, the volume of imports of these products from the region has doubled and almost reached pre-crisis values. It is worth noting that, despite the drop in many imports due to the coronavirus infection and the consequences of the pandemic, precious metals and stones have continued to grow in the share of imports. Import articles in the region can also be divided into two main categories. The first category represents raw materials and parts of high-tech industries, as well as individual results of these industries, inorganic chemicals and mineral raw materials for general technological purposes. The second category is fruits, vegetables, spirits, tea and coffee. The significant import of furniture made in the region should be noted separately. With the strengthening of relationships, similar to the export of the service, the volume of the import of services is growing, but the directions of the service differ (Twenty-first century challenges for the Americas: full and productive employment and decent work Report of the Director-General, 2014; US-

Latin America Trade and Investment in the 21st Century: What's Next for Deepening Integration? 2014; Annual Report 2019-2020, 2020).

Despite the region's growing interest in Canadian exports, the balance between Canadian exports and imports is strongly skewed towards imports, and amounts to approximately 1 in 4 / 3.5.

Canada is investing heavily in development and assistance to the Latin American region. There are social and development assistance programs for the region at the level of various Canadian offices in Latin America. These programs affect education, population, immigration, protection and improvement of the environment, improvement of the health conditions among the population, etc. Apart from direct assistance and governmental help, a large number of programs are provided through non-governmental foundations and international organizations.

However, these projects and acts of support open the way to advance the interests of Canada, such as the development of the mining industries and related industries. The growing volume of imports of precious metals shows that this area of investment for Canadian capital fully meets its expectations.

An analysis of the above data shows that today it is difficult to expect an abrupt growth in the volume of trade relations. Obviously, over the past years, fluctuations in import and export volumes have been generally non-significant. It is possible to note individual industries that receive additional development, but the growth of some individual industries is "compensated" by losses in others. The volumes of trade turnover are quite stable, and there are hardly any factors now that can change this trend. It seems that the expensive Canadian currency, complicated logistics, and the protectionist policies of the United States and Canada are becoming restrictions for the growth of the trade balance. These limitations will not be overcome anytime soon.

It is obvious that the development of trade and economic relations between Canada and the Latin American region almost completely meets the interests of Canada. It appears that Canada may be interested in getting a faster return on its investment in the region. The Latin American region itself benefits from Canada's social and industrial investment and appreciates the work with Ottawa in this direction (Annual Report 2019-2020, 2020). In the near future, it is difficult to predict a high growth in economic relations between the regions. Due to the political instability of the Latin American region and its individual countries, as well as the strong impact of the crisis and pandemic on the region, it seems that the development of relations between Canada and Latin America will follow the trend that has been developing over the past 10 years. It should be noted that Canada considers this region a very promising area of development due to the growing political friction with other partners in the world arena and a high level of "saturation" of their economic relations with them. The main sales markets such as Europe, the USA and China are "established" and do not have significant potential for developing trade with Canada. On the contrary, although the Latin American region is turbulent, which affects the stability of relations, this same turbulence may present unlimited prospects and opportunities for new players.

7. Conclusion

The changes in Canadian policy in Latin America in the 2nd half of the 20th century consisted mainly in pursuing in the region an independent course aimed at diversifying Canada's external relations,

conquering new markets, weakening total dependence on the United States and raising its status as a world state; and this was successfully achieved.

Examples of successful policies were the cooperation with all states in the region, regardless of which political forces were in power in them: revolutionary Cuba, Argentina before the establishment of a military dictatorship and during the rule of military juntas, Chile before the coup d'état of A. Pinochet and during his reign, Nicaragua before the Sandinista revolution, during and after the revolution, etc.

From 1984 to 1993, when the cabinet of conservative Brian Mulroney was in power, Canada succeeded in concluding NAFTA, although the swiftness of politics in the region was lost, and the government focused on solving economic problems. However, at the same time, it maintained the previously achieved level of trade and relations with different Latin American states, and made a peacekeeping contribution to the resolution of the Central American crisis.

The next stage (1993-2003) is associated with the activities of the liberals led by Prime Minister Jean Chretien, when Canada attracted new tools in Latin America to expand its ties and influence: After the entry into force of NAFTA there were new free trade agreements, already bilateral, that had been concluded. The first of them was with Chile in 1997. Canada established itself in Latin America as a development contributor involved in conflict resolution (UN Mission in Haiti), helping Cuba survive during a "special period of peace", and fighting for human rights and security (Ottawa Process).

After the short period of 2003-2006, when Prime Minister Paul Martin simply supported the course of the Liberal Party in the region, there was the period from 2006 to 2015. Under the leadership of the Conservatives, Canada made then a turn from peacemaking and broad development assistance in Latin America towards the development of economic and investment ties in the region. Now, the first path to fighting backwardness and poverty in the Latin American region was not to provide financial assistance, but instead to promote development through the modernization of key sectors of the economy of the states of the region and the creation of high-tech industries. Since Canada, under S. Harper's premiership, gradually approached the US in its general lines of foreign policy, it lost the possibilities of its previous political dialogue with Cuba. As part of the economically oriented "Strategy for Engagement in the Americas", Canada entered into a series of new free trade agreements and began to seek new relationships with regional integration blocs so as not to fall behind Asian states that were strengthening their presence in Latin America.

After the liberals returned to power in the fall of 2015, the current cabinet of D. Trudeau continued to use the schemes put in place by the conservatives, and up to now it has not been able to change the usual direction of Latin American politics. At the same time, the new government maintains a globalist, liberal-internationalist course in foreign policy and seeks to participate as much as possible in all regional political events. A certain warming has occurred in its relations with Cuba.

The main problems of Canada's policy in the region are: the impossibility of overcoming the enormous economic dependence on the United States, in connection with which the issues of American-Canadian relations constantly overlap Latin American problems; "Atlantic solidarity" within NATO, forcing them to join American military operations and militaristic actions in remote parts of the world, which negatively affects Canada's reputation as a peacemaker and defender of human rights; the drift from the provision of development assistance to developing countries to the deepening of the economic ties and

the development of trade with such states, which leads to the loss of one's own signature in supporting these states; fierce trade competition in Latin America with the United States, China, the Republic of Korea, and Japan, which significantly outnumber Canada in population and are ready to invest in unstable states (that was previously the prerogative of Canada in the region). The 2020 pandemic has only exacerbated these trends and has yet to create new opportunities.

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