

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

This PDF is auto-generated for reference only. As such, it may contain some conversion errors and/or missing information. For all formal use please refer to the official version on the website, as linked below.

'NAFTA was signed because it made political sense'. Discuss.

<https://www.e-ir.info/2007/12/22/%e2%80%98nafta-was-signed-because-it-made-political-sense-discuss/>

ANDY JONES, DEC 22 2007

The North American Free Trade Agreement (NAFTA), which came into effect on 1 January 1994, took most international political economists by surprise – ‘even the most enthusiastic advocates of such negotiations thought they were a decade away.’[1] NAFTA represents a significant departure from the traditional economic and institutional relationship between the United States and its smaller neighbours, Mexico and Canada. The free-trade areas ‘involves an explicit commitment to market integration – not only in goods but also in services and capital markets – with significant additional agreements in employment and environmental standards.’[2] Thus, NAFTA was signed because it made political sense, but more importantly, it was signed due to its economic implications.

Equally, ‘political integration is not occurring, because the North American nations have no political motive to integrate with one another.’[3] The changing nature of the international system means that the international economy is increasingly being divided into regional trade blocs, and this ‘new regionalism’ is consequently more open than previous regionalist incarnations. This essay will begin with a detailed analysis of how NAFTA fits into the concept of regionalism and addressing the international political economy theories that inform it. It will then move on to a thorough critique of the economic and political motivations of the United States, Canada and Mexico and the theories that explain them, before bringing the NAFTA debate up to date with a brief summary of where we stand now. It will argue that NAFTA primarily serves an economic function, but was brought about by a ‘confluence of many factors’[4] which helped to shape NAFTA into the free-trade agreement that today appears irreversible.

‘New Regionalism’ and IPE Theories

This section is designed to create an initial framework for later theoretical analysis by introducing some of the major theories of IPE, and relating them to regionalism and to NAFTA specifically. Andrew Payne defines today’s ‘new regionalism’ as a ‘state-led or states-led project designed to reorganise a particular regional space along economic and political lines.’[5] However, this essay rejects this notion as simplistic and overly narrow. Regionalism requires a convergence of culture, politics, security and economic policies, meaning that it is ‘not necessarily state-led, as states are not the only political actor around.’[6] Further, these competing actors do not necessarily share the same regional visions, but these visions coexist, and the cooperation and conflict that this provokes shapes the ensuing regional agreement. New regionalism is ‘more global in scope and involves integration not only of trade but also of finance and foreign direct investment,’[7] and serves as a means of solving common problems ‘identified as being handled best at a regional level.’[8]

However, regional arrangements are consistent only in their uniqueness, their formation shaped by ‘power relations, [the effect of] multilateral institutions...particular states composing them, and their welfare implications.’[9] Edward D. Mansfield and Helen V. Milner also caution against the danger of ‘ignoring its political underpinnings.’[10] For instance, NAFTA, Asia Pacific Economic Cooperation (APEC), and the European Union (EU) all share a ‘striking commitment’[11] to open regionalism, but while the EU is increasingly placing joint emphasis on economic and political union, for the members of NAFTA and APEC, ‘although political considerations have certainly been important...the principal motive...has been fulfillment of private and national economic interests.’[12] Furthermore, while NAFTA APEC are dominated by the United States and Japan respectively, the European Union was

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

specifically designed to encourage integration between two rival powers, France and Germany. In essence, NAFTA is an example of economic regionalism, a realist-inspired phenomenon which 'has spread because nation-states want the absolute benefits of a global economy at the same time that they seek to increase that they seek to increase their own relative gains and protect themselves against external threats to their economic welfare and national security.'[13]

So how do IPE theories help to explain regionalism, and why is region formation relevant to NAFTA? First, it is important to note that economic theories of regionalism don't tend to explain domestic political motives, while political theory doesn't transfer perfectly to economic cooperation. From a realist perspective, regionalism is 'a political phenomenon pursued by states for national political and economic motives.'[14] For instance, realist national interest clearly permeates the United States' NAFTA aims. The U.S. fears that it 'no longer possesses that self-reinforcing and largely unchallenged primacy across all the necessary constituent elements of hegemonic power,'[15] and views the rise and further integration of the European Union as a potential threat. Thus for the United States, NAFTA can be seen as a defensive impulse, aimed at maintaining international competitiveness and the U.S.' dominant global position. Realists would not be able to explain why the United States had to negotiate over NAFTA however, as natural power asymmetries don't take into account culturally sensitive issues. Further, realism expects that states will not compromise national security for the economic gains of regional arrangements,[16] but concerns over immigration and drug-flows did not stop US cooperation.

For Mexico, regional cooperation can be better described using neo-institutionalist logic, and is a furtherance of the neo-liberal ideological counter-revolution initiated by Miguel de la Madrid Hurtado (1982-88) and carried on by Carlos Salinas de Gortari (1988-94). Neo-institutionalism, sees regional institutions as a solution to problems such as market failures, while promoting cooperation and encouraging regional redistribution.[17] However, neo-institutionalist theory fails to take into account domestic political motives such as Stephen Clarkson's contention that Salinas was attempting to use supraconstitutional norms to tie Mexico into a neo-liberalist agenda that was 'virtually irreversible,'[18] thereby boosting international credibility and investor confidence.

So what are the principal economic benefits of regionalism? First, regionalism is closely tied to the notion of Foreign Direct Investment and an increase in trade. For instance, multi-national production and intra-firm outsourcing would be of obvious benefit, as it would help to keep costs low. The financial sector was a key battlefield in NAFTA negotiations, with Canada keen to gain greater access to US finance institutions, while the US was interested in the financial sector in Mexico, which should enjoy a boost in investor confidence as a result. Finally, oil and energy was a culturally sensitive issue for the Mexicans, given its tradition of nationalisation in this sector. Surprisingly, Mexico was able to fend off American advances and keep control of their oil and energy supplies.

The United States: The Political and Economic Dilemmas of NAFTA

This section will seek to ascertain the respective importance of political reasoning and economic benefits in the U.S. decision to enter the NAFTA negotiations. It is worthwhile noting that actors cannot simply work on the basis of economics, but must determine who their supporters are and how future policy may be affected by them. This section looks into the dilemmas this economic-political interaction caused, and ultimately argues that political interest was instrumental in securing U.S. support for NAFTA. For the United States, political considerations regarding NAFTA predominantly hinge on the domestic political debate on the economics of NAFTA – the free-trade alliance versus a new 'strong strain of popular isolationism'[19] that had reappeared in local and congressional politics – and the neo-realist preoccupation with security and economics. This security concern is based on a belief in the anarchic structure of the international system, and the hope that 'hegemonic leadership...can help to create a pattern of order.'[20] President Bush and Secretary of State James Baker noted this political, security-driven motivation, 'viewing [NAFTA] as a grand chance to stabilize Mexico as a...democratic nation..., ' but importantly not forgetting that '...trade expansion for American exporters' was a strong economic incentive.[21] Paul Krugman ridicules the small economic effects to highlight his view that 'for the United States, NAFTA is essentially a foreign policy rather than an economic issue.'[22]

Further, President George Bush's protestations that NAFTA would 'inhibit illegal Mexican immigration by contributing

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

to greater Mexican prosperity,'[23] is a security observation which aims to strike a chord with American voters who listed illegal Mexican immigration as their biggest national security concern.[24] However, this outlook was challenged by independent presidential candidate Ross Perot, who claimed that NAFTA would increase migrant-labour flows while also ensuring a 'door to door [drug] delivery service'[25] as market liberalisation and economic integration actually facilitate illegal drug and immigrant movement. Clearly, Bush's focus on the national security benefits the U.S. would accrue from an economically integrated Mexico also contains some exaggerated spin, if compared with the genuine security concerns that led to the formation of the European Community. There, 'the motivation for the formation of the [EC] was political, to make war unthinkable between France and Germany.'[26] Maxwell Cameron and Brian Tomlin raise another political consideration, contending that with an upcoming election, the Republicans sought to use NAFTA to divide the Democrat vote in the knowledge that most Hispanics generally vote Democrat, but most Hispanics were also pro-NAFTA.[27]

Additionally, the economy was the soft underbelly of the Bush administration's election campaign, not helped by Gulf War expenditures and the hang-over from Cold War excesses. Hence the Republicans tried to overstate the economic benefits of NAFTA to win votes in the areas most likely to be affected by the free-trade agreement, such as fruit and vegetable farmers in Florida and California, who feared their interests were being 'chucked out the window.'[28] Support from business leaders was predictably linked to expanding market opportunities in Mexico as a result of free-trade. Big businesses not only provide more votes, but they also provide electoral campaign money, and thus their approval, demonstrated by the endorsement of NAFTA by the Coalition for Trade Expansion (CTE) was an important political consideration for the 'openly politicized'[29] Bush administration who Clarkson claims was merely 'expressing the demands of its private-sector interests.'[30] However, free-trade leaves blue-collar workers in particular vulnerable, as low-skilled labour-intensive industries are naturally attracted to cheap labour, an abundant Mexican commodity. Economist Harley Shaiken sums up this argument, asking 'why should companies invest in a high skill, high wage strategy in the United States, when a high skill, low wage strategy is available in Mexico?'[31] The Bush administration attempted to assuage these fears by announcing plans for re-education and re-training programmes for those workers displaced by NAFTA, but this emotive issue was quickly pounced on by opponents.

Perot's sensationalist 'giant sucking sound'[32] idea can also be characterised as political bluster, tapping into traditional American anti-Mexican stereotypes of accessible cheap labour. In doing so, Perot sought to align with the powerful American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). The AFL-CIO, comprising fifty four national and international labour unions, and representing nine million workers opposed the agreement, arguing that 'it is not every day that a sovereign nation seeks to negotiate an agreement that is certain to destroy the jobs of tens of thousands of its citizens.'[33] Thus, Perot's NAFTA condemnation was politically calculated, aimed at winning the votes of both the AFL-CIO, who had also formed a 'blue-green' coalition with environmentalists worried about the damaging effect of heightened maquiladora production, given Mexico's lax environmental laws.[34] In sum, given the small economic benefit, it could be said that the Bush administration saw NAFTA as politically propitious. Thus, NAFTA became a pre-election political football, abused by both sides in attempt to curry political favour. This would explain Bush's impatience in pushing NAFTA through – he clearly thought NAFTA could be an election winner.

However, this assessment fails to explain the actions of President Bill Clinton after the 1992 election victory. Krugman uses the example of negative public opinion to the alleged large labour and environmental costs of NAFTA to ask 'why should the Clinton administration expend a great deal of its depleted political capital in pursuit of an unpopular and economically trivial agreement?'[35] Krugman concludes that Clinton's motivation for NAFTA must stem from a neo-realist fear that an economically fragile Mexico 'might become a radicalized national security nightmare.'[36] However, Cameron and Tomlin disagree, contending that Clinton's pro-NAFTA stance was neo-institutionalist, and noting his qualified pre-election endorsement of the free-trade agreement as mutually beneficial. Clinton believed in NAFTA if it served to heighten environmental and labour law standards in Mexico, increase security, and as long as American blue-collar workers could be retrained and reinserted into the economy elsewhere.[37] As far as political fence-sitting goes, this was a masterstroke, as Clinton's pro-NAFTA stance helped him win over some big business support, his care for Mexican workers saved the Hispanic vote, while his commitment to displaced American workers managed to appease the trade unions. Thus, this essay argues that Clinton's actions displayed characteristics of self-serving neo-realist national interest, but also a neo-institutionalist

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

strand of mutually beneficial cooperation, characterised by his insistence on the North American Agreement on Labour Cooperation (NAALC) and the North American Agreement on Environmental Cooperation (NAAEC). For the United States, political considerations played a large role in its decision to negotiate over NAFTA, but the economic benefits, however small, cannot be forgotten.

NAFTA: A Mexican Political Saviour or an Economic Opportunity?

Politically, NAFTA is a problematic conception for Mexicans who have been brought up on the popular saying 'Poor Mexico. So far from God, so close to the United States.' [38] Despite denouncing a NAFTA-style arrangement as 'not feasible' and contrary to Mexican interests in 1988, by 1990 Salinas saw NAFTA as a neo-institutionalist vehicle through which he could cement and "lock in" Mexico's liberalising domestic economic and political reforms. [39] Liberalising reforms began in Mexico under the de la Madrid administration (1982-88), but did not take root. For instance, free-trade reform in 1985, supported by the Bank of Mexico, the International Monetary Fund (IMF) and the World Bank, was not sufficient in provoking true change due to a basic lack of investor confidence demonstrated by capital flight and declining investment (14.3% of GDP in 1981 to 11% in 1983). [40] This fact was made starkly clear to Salinas when he embarked on a fact-finding investment drive in Europe in 1990, which coincided with the World Economic Forum in Davos, Switzerland. Salinas soon realised that Mexico was still not on the investment map, and worse still, the European Union was looking eastwards to Former Soviet Union. Minister of Commerce and Trade Jaime Serra Puche remarked that 'we realized that the world was moving quickly,' and Mexico would need to do something quite dramatic if it wanted global attention. [41] While in Davos, Salinas and his team quickly drew up plans for a free trade agreement, acknowledging that to be competitive Mexican industry would require competitive inputs. If they could get the Americans on board, Salinas and Serra were convinced that international financial markets would take notice, and investor confidence would be boosted at Mexico's liberalising turn. The following day, Salinas put his proposal to U.S. Trade Representative Carla Hills.

Domestically, 'policies require the mobilization of a coalition of political support in order to be successfully implemented and sustained.' [42] Carol Wise opines that the gradual attempts at Mexican reform through the mid-to-late 1980s, beginning with the 1987 Economic Solidarity Pact, had sufficiently persuaded the Mexican private sector that protectionism was indeed a thing of the past, a point reinforced by Salinas' 'successful linking of trade liberalization with macroeconomic stabilization.' [43] This convinced the private sector that 'as painful as the medicine of increased competition might be, it was their best long-term economic interest.' [44] Salinas had his required ally, and he made sure they knew it, with members of the Coordinadora de Organismos Empresariales de Comercio Exterior (COECE - Mexico's Business Trade Council) invited to NAFTA negotiations alongside the Mexican Ministry of Commerce and Industrial Development (SECOFI). Strom Thacker emphasises that this state-business coalition gave big business (of whom 98% supported the free-trade agreement) a disproportionate influence over NAFTA negotiations, [45] where small businesses were 'probably not well represented.' [46]

However, this essay maintains that while the state-business NAFTA coalition was politically expedient, the driving force behind the Mexican initiation of the NAFTA negotiations was economics. Thacker has proposed that Salinas' coalition 'enabled the PRI regime to survive mounting electoral challenges,' [47] exacerbating the Mexican economic crisis and helping to cause the 1994-95 financial crash, which saw 52% inflation and -6.49% economic growth in 1995. [48] Nevertheless, whilst acknowledging this argument, this essay seeks to prove Salinas' intentions using economic data, institutionalist theories of region formation, and individual level theories, and proffers that 'for Mexico, a further opening up of the economy was a logical progression' [49] of earlier reforms. Ignoring the commercial benefits of free trade with Canada, the Mexican economic attraction to a free trade area with the United States is immediately obvious. In 1991, 70% of Mexico's total \$34bn Foreign Direct Investment (FDI) came from the United States (\$24bn), [50] while in 1992, 76% of Mexican exports headed across the border to the U.S., up from 60% in 1960, whilst 76% of Mexican imports were of American origin. [51] Given this level of economic integration and cooperation, an abolishment of trade tariffs (which ranged from 2.5% to 15% on products such as automobiles [52]) makes simple economic sense.

Moreover, new institutionalist economic theory, which emphasises the increased economic cooperation inherent in regional agreements, [53] would suggest that the signing of NAFTA would enhance these already integrated figures,

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

and this is precisely what Salinas was expecting and hoping for. Cooperation would, for example, take the form of outsourcing and two-way and intra-firm production, which lowers costs, increases efficiency, and should draw more jobs to Mexico. In his discussion of the North American textiles and apparel industry, Tony Heron uses neo-Marxist theory to demonstrate the 'dispersal and reorganisation of manufacturing activity away from the core and towards the periphery,'[54] in a search for low costs and profit maximisation. This is made possible primarily by the geographic proximity of Mexico to the United States, and is a benefit of regional formation, as small states are given 'access to large markets so that they can develop economies of scale...and generate welfare and efficiency,'[55] through an upsurge in exports. On a domestic level, NAFTA allowed Mexico to 'overcome domestic political obstacles to economic reform, including a more open traded policy...[and]...enabled Mexican officials to link numerous reforms together, thus partially overcoming the political logic of protection.'[56]

It is clear that Salinas' decision to initiate NAFTA was not universally popular. On 1 January 1994, NAFTA's first day, the Ejército Zapatista de Liberación Nacional (EZLN) or Zapatistas of Chiapas staged an uprising against PRI, accusing NAFTA of being the 'death certificate for the Indian peoples of Mexico, who are dispensable for the government of Carlos Salinas de Gortari.'[57] The group rail against region formation, arguing that a more globalised world is harmful to the downtrodden indigenous peoples of the world, who are forgotten in the rush for profits. The Zapatistas perceived that de la Madrid, and later Salinas had deliberately targeted Chiapas, beginning with the post-1982 cutting of maize subsidies (Chiapas was Mexico's largest maize producer), and continuing with the gradual phase out of guaranteed prices in 1993, which thousands of Chiapas peasants had depended on for a living.[58] Their plight is indisputable – malnutrition runs at 50%, while 30% of the Chiapas population remains illiterate.[59] Economists would point to the 'new political economy' theory, which warns of the uneven distributive effects of economic regionalism, and a 'winners and losers' scenario,[60] in which the gross asymmetry of power between the technologically advanced American agricultural sector and the relatively backward Chiapas farmers is laid bare. The fact that Salinas was willing to risk a political uprising serves to illuminate his unstinting economic commitment to NAFTA, and reinforces the view that economic thinking trumped Salinas' political interests.

Finally, individual level theory also gives a plausible explanation for the PRI's sudden push for free-trade. NAFTA was an ideological commitment, which coincided with the rise of US educated 'technobureaucrats' in Mexico, including Salinas and de la Madrid, who were generally more sympathetic to neo-liberal Washington Consensus ideology.[61] Furthermore, it is conceivable that Salinas was hoping that NAFTA would secure his place in history as 'the president who brought Mexico into the modern era,'[62] but even this self-interest is economic in origin. In sum, NAFTA was an economic decision on a domestic and an international level for Mexico. The regional arrangement was a means of overcoming domestic political opposition to economic reform, and on an international level, NAFTA was intended as a 'signal to the international investment community and as a means to obtain trade concessions not otherwise obtainable from the United States.'[63]

Reluctant Canada

Canada's accession to NAFTA is a classic example of structural realism. Having already signed the Canada-United States Trade Agreement (CUSTA) in 1989, the provisions of NAFTA offer little more to the Canadians, yet it 'had little choice but to be a part of the NAFTA process.'[64] When the idea of a new regional trade agreement was floated, Prime Minister Brian Mulroney 'made it clear that Canada had no interest in taking part in the talks,'[65] but within a few months he was 'determined to be along for the ride.'[66] Even when the Canadians did belatedly join the negotiations, the decision of Deputy Minister of Trade Don Campbell to choose a member of Canada's foreign service bureaucracy as chief negotiator 'was a reflection of the fact that NAFTA was less important in Ottawa than in either Mexico or Washington, DC.'[67] However, it soon became clear to Canadian policy makers that despite little commercial incentive to do business with the Mexicans, Canada had to 'protect its interests in the North American market,'[68] by signing up. As Sidney Weintraub notes, before NAFTA, 60% of Canadian exports to the U.S. were intra-firm,[69] while the average Canadian spent \$3,200 on American imports, compared to \$388 by the average Mexican.[70] Thus, Canada had a lot to lose if Mexico were to usurp its position as the chief hemispheric trade partner of the U.S.

Canada's structural realist approach was based on the view that it could not afford to lose its trading position with the

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

United States to Mexico. This is an appreciation of 'new political economy,' which highlights the harmful effects of free trade agreements to those outside of the arrangement. By joining NAFTA therefore, Canadian officials hoped Canada would be better positioned to keep what it achieved through CUSTA, and take advantage of closer economic ties with the growing Mexican marketplace. The alternative was a 'hub and spoke (HASP)' [71] scenario, with the United States as the hub, having separate agreements with the spokes (Canada and Mexico). The HASP model would leave Canada without free-trade with Mexico, and the possibility of inferior terms with the hub than Mexico. Thus, the primary concern for Canada in the NAFTA consultations was economic self-interest.

Domestically, Mulroney did not face the same nationalist backlash as his counterparts in the U.S. and Mexico, but no doubt his initial reluctance reflected a domestic political calculation on the costs of free trade, based on his experiences with CUSTA. Nationalist groups such as the Council of Canadians barked 'we want our country back. As long as the free-trade agreement is in effect, no future [Canadian] government will be able to determine the fate of this country.' However, in reality the sting had gone out of the Canadian attack. Where polls found only 7% in favour of the signing of CUSTA, public opinion stayed fairly evenly divided over NAFTA, making it more popular amongst Canadians than Americans. [72] Furthermore, amid the furore of CUSTA, Mulroney had won a large majority in what was dubbed the 'free trade election' in 1998, giving him a virtual mandate to consent to the NAFTA negotiations. [73] Thus, Mulroney did not have to worry about a political backlash, and was free to make a decision based purely on economic arguments.

Bringing It up to Date: Where do we Stand Now?

Predictably, the AFL-CIO fear that American labour intensive jobs would gravitate southwards has been proved correct. However, unemployment statistics show a decline in the number of Americans out of work in the post-NAFTA world. In 1993, the unemployment rate stood at 6.9%, and the average real hourly wage was \$7.39. By the late 1990s, these figures had improved – unemployment fell to 4.9%, while the average hourly wage rose to \$7.54. [74] Headline-grabbing stories have still surfaced though, such as the Levi Strauss jeans relocation to Mexico, which closed 23 of the company's 32 US plants, while total textile and apparel employment in the US had fallen from 1.4 million in 1970 to 0.8 million in 1997. [75] This must mean thought that a US neo-institutionalist strategy of re-training and re-educating has proved effective. As expected, cross-border trade has grown exponentially, but so too has illegal immigration and drug trafficking. 0 neo-realist

New political theory's 'winners and losers' prophecy has been proved true – the redistributive effects of NAFTA have certainly not been evident in Mexico, with Thacker pointing out that Mexico now has a lower Gini distribution coefficient than in the 1980s. [76] Neo-realists would also be disappointed to note the rapid increase in illegal immigration and drug-trafficking. For instance, the percentage of cocaine arriving in the United States from Mexico was negligible in the mid-1980s, but Mexican cocaine accounted for 70% of the US cocaine market by the late 1990s. Additionally, an invasion of 'undesirables' from across the border has further weakened American national security. [77] However, the fact that Mexico has just about held on to democracy, bearing in mind the disastrous 1994 crash, must be seen as positive for American national security.

Conclusion

In conclusion, this essay has sought to analyse the political and economic motivations for NAFTA, paying close attention to theories of regional formation and international political economy. It has argued that NAFTA was not a genuine attempt at political and economic union, but that it is 'primarily market-driven.' [78] Thus, 'the EU is more comprehensive than NAFTA will ever be.' [79] Weintraub proposes that the major weakness of the anti-free trade argument is that 'it offers no real choice other than cling to what exists...[and that] maintaining the status quo is sheer romanticism,' [80] given the natural integration of the three economies. Economic regionalism is a natural response and protection against the intensification of international economic competition. Through an analysis of intentions, incentives and motivations, this essay has sought to marry economic theory and political science, arguing that for Mexico, Canada and the United States, economic considerations superseded political interests. However, successful economic policy must satisfy the national interest, a 'complex mixture of economic, (domestic) political and international calculation.' [81] Therefore, it can be said that NAFTA made political sense, but it was signed due to

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

economic motivation.

References

- [1] Frederick W. Mayer, *Interpreting NAFTA: The Science and Art of Political Analysis*, New York, 1998, p.31.
- [2] E.V.K. FitzGerald, 'Trade, Investment and NAFTA: The Economics of Neighbourhood,' Victor Bulmer Thomas and James Dunkerly (eds.), *The United States and Latin America: The New Agenda*, London, 1999, p.100.
- [3] Robert Gilpin, *Global Political Economy: Understanding the International Economic Order*, Princeton, 2001, p.355-356.
- [4] op.cit. Mayer (1998): p.66.
- [5] Anthony Payne, 'Rethinking Development Inside IPE,' Anthony Payne (ed.), *The New Regional Politics of Development*, Basingstoke, 2004, p.16.
- [6] Marianna H. Marchand, Morten Bøås and Timothy M. Shaw, 'The political economy of new regionalisms,' *Third World Quarterly*, 20:5, 1999, p.900.
- [7] op.cit. Gilpin (2001): p.341.
- [8] Andrew Gamble and Anthony Payne, 'Conclusion: The New Regionalism,' Andrew Gamble and Anthony Payne(eds.), *Regionalism and World Order*, London, 1996, p.264.
- [9] Edward D. Mansfield and Helen V. Milner, 'The New Wave of Regionalism,' *International Organization*, 53:3, Summer 1999, p.589-590.
- [10] ibid. p.590.
- [11] op.cit. Payne (2004): p.16.
- [12] op.cit. Gilpin (2001): p.359.
- [13] ibid. p.357.
- [14] ibid. p.356.
- [15] Andrew Gamble and Anthony Payne, 'Introduction: The Political Economy of Regionalism and World Order.' Andrew Gamble and Anthony Payne(eds.), *Regionalism and World Order*, London, 1996, p.15.
- [16] op.cit. Gilpin (2001): p.356.
- [17] op.cit. Gilpin (2001): p.353.
- [18] Stephen Clarkson, 'NAFTA and the WTO in the Transformation of Mexico's Economic System,' Joseph S. Tulchin and Andrew D. Selee (eds.), *Mexico's Politics and Society in Transition*, Colorado, 2003, p.235.
- [19] op.cit. FitzGerald (1999): p.101.
- [20] Robert Keohane in Maxwell A. Cameron and Brian W. Tomlin, *The Making of NAFTA: How the Deal Was Done*, Ithaca, 2000, p.24.

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

[21] *ibid.* p.63.

[22] Paul Krugman, 'The uncomfortable truth about NAFTA: it's foreign policy, stupid,' *Foreign Affairs*, 72:5, Nov-Dec 1993

[23] Andrew Gamble, 'The United States and its Enterprise for the Americas,' Andrew Gamble and Anthony Payne(eds.), *Regionalism and World Order*, London, 1996, p.116.

[24] Peter Andrews, 'Liberalizing and Criminalizing Flows Across the U.S.-Mexican Border,' Carol Wise (ed.), *The Post-NAFTA Political Economy: Mexico and the Western Hemisphere*, Pennsylvania, 1998, p.204.

[25] *op.cit* Gamble (1996): p.13.

[26] Sidney Weintraub, 'US-Mexico Free Trade: Implications for the United States,' *Journal of Interamerican Studies and World Affairs*, 34:2, Summer 1992, p.39.

[27] *op.cit.* Cameron and Tomlin (2000): p.179.

[28] A Florida farmer in *ibid.* p.78.

[29] *op.cit.* Clarkson (2003): p.234.

[30] *ibid.* p.234.

[31] *op.cit.* Cameron and Tomlin (2000): p..181.

[32] Carol Wise, 'Introduction: NAFTA, Mexico and the Western Hemisphere,' Carol Wise (ed.), *The Post NAFTA Political Economy: Mexico and the Western Hemisphere*, Pennsylvania, 1998, p.31.

[33] Tom Donahue of the AFL-CIO, speaking at the Ways and Means Committee fast-track discussion, 21st February 1991, in *op.cit.* Mayer (1998): p.78.

[34] *op.cit.* Wise (1998): p.18.

[35] *ibid.* Krugman

[36] *ibid.* Krugman

[37] *op.cit.* Cameron and Tomlin (2000): p.180.

[38] *op.cit.* Mayer (1998): p.32.

[39] *op.cit.* Wise (1998): p.24.

[40] Strom C. Thacker, 'NAFTA Coalitions and the Political Viability of Neoliberalism in Mexico,' *Journal of Interamerican Studies and World Affairs*, 41:2, Summer 1999, p.59.

[41] *op.cit.* Mayer (1998): p.39-40.

[42] *op.cit.* Thacker (1999): p.57.

[43] *op.cit.* Wise (1998): p.14.

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

[44] *ibid.* p.15.

[45] *op.cit.* Thacker (1999): p.68-70.

[46] COECE official in *ibid.* p.72.

[47] *ibid.* p.78.

[48] *ibid.* p.78-79.

[49] Peter Coffey, 'Regional Integration,' Peter Coffey et al, NAFTA: Past, Present and Future, USA, 1999, p.20.

[50] *op.cit.* Weintraub (1992): p.36.

[51] Enrique Lazcano Espinosa, 'NAFTA in Mexico,' Peter Coffey et al, NAFTA: Past, Present and Future, USA, 1999, p.86.

[52] *op.cit.* Weintraub (1992): p.34.

[53] *op.cit.* Gilpin (2001): p.345.

[54] Tony Heron, 'Globalization, Regionalization and Development: the Political Economy of the North American Apparel Industry,' IPEG working papers, Number 11, April 2004, p.4.

[55] Daniel Drache, Trade Blocs: The Beauty or the Beast in the Theory?' Richard Stubbs and Geoffreg R.D. Underhill (eds.), Political Economy and the Changing Global Order, Canada, 2000, p.186.

[56] *op.cit.* Mayer (1998): p.62.

[57] EZLN Statement, in Neil Harvey, 'Rebellion in Chiapas: rural reforms and popular struggle,' Third World Quarterly, 16:1, March 1995, p.39.

[58] *ibid.* p.44-47.

[59] *ibid.* p.47.

[60] *op.cit.* Gilpin (2001) p.345.

[61] Manuel Pastor and Carol Wise, 'The Origins and Sustainability of Mexico's Free Trade Policy,' International Organization, 48:3, Summer 1994, p.482.

[62] *op.cit.* Mayer (1998): p.64.

[63] *ibid.* p.65.

[64] Colin Dodds, 'NAFTA and Canada,' Peter Coffey et al, NAFTA: Past, Present and Future, USA, 1999, p.57.

[65] *op.cit.* Mayer (1998): p.43.

[66] *op.cit.* Cameron and Tomlin (2000): p.7.

[67] *ibid.* p.9.

'NAFTA was signed because it made political sense'. Discuss.

Written by Andy Jones

[68] *ibid.* p.64.

[69] *op.cit.* Weintraub (1992): p.38.

[70] *ibid.* p.44.

[71] *op.cit.* Dodds (1998): p.37.

[72] *op.cit.* Mayer (1998): p.48.

[73] *op.cit.* Cameron and Tomlin (2000): p.64.

[74] Robert Riley, 'NAFTA: The US Perspective,' Peter Coffey et al, NAFTA: Past, Present and Future, USA, 1999, p.131

[75] *op.cit.* Heron (2004): p.15.

[76] *op.cit.* Thacker p.76.

[77] Peter Andreas, 'Liberalizing and Criminalizing Flows Across the US-Mexican Border,' Carol Wise (ed.), The Post-NAFTA Political Economy: Mexico and the Western Hemisphere, Pennsylvania, 1998, p.202 204.

[78] *op.cit.* Gilpin (2001): p.343.

[79] *op.cit.* Weintraub (1992): p.39.

[80] *ibid.* p.49.

[81] Ben Thirkell-White, Economic Nationalism in India, 21/02/2006.

—

*Written by: Andrew Jones
Written at: University of St Andrews
Written for: Dr Ben Thirkell-White
Date Written: 2006*