

# North American Free Trade Agreement (NAFTA):

What is the North American Free trade Agreement and what impact did it have on the three nations that are part of it?



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Seminar 4: Annotated Bibliography

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**Weintraub, Sydney. (2006). *NAFTA at Three: A Progress Report*. Washington, D.C.: The Center for Strategic & International Studies.**

This book serves as a written evaluation of the NAFTA agreement from the perspective of a citizen of the United States. The author breaks down the evaluation by providing information of the economies of the three nations that are involved in NAFTA, particularly that of Mexico and the United States (since their participation is greater due to their individual economies). There is data given to compare and contrast the changes that occurred before and after the NAFTA agreement within the different economies. By analyzing this book, it can be deduced that the author views the framework of NAFTA as a bilateral economic relation among Mexico, Canada, and the United States. Although there have been several changes after the formation of this pact for trade, he states that it is not a dominant factor in the international economies of any of the three countries. In fact, there are references that the United States has and will have little impact by the trading agreement and for being such a great economy by itself, it doesn't really have the necessity of depending on such agreements. Also, there are comments saying that the arguments made for the creation of NAFTA promoting that it would balance trade and create jobs are pretty much made in vain, particularly since there are not equal economies on the parties involved.

**Grayson, George W. (1995). *The North American Free Trade Agreement: Regional community and the New World Order*. Lanham, Maryland: University Press of America, Inc.**

This book by George W. Grayson starts off by giving a brief history of the United States and its foreign policies before the possibilities of NAFTA emerged. Such foreign policies include The Versailles Treaty, The U.N, and The Truman Doctrine; there is a brief history of how these treaties/policies came to be and how they have affected the United States with their formation. The author follows up with the significance the NAFTA has for Mexico. For this country NAFTA represents a “new beginning” as the author makes us seem and it also bring new ideologies to Mexico in regards to its foreign policies. As described by Grayson, there was a big national interest coming from the Mexican nationals for the creation of this trade agreement, since they viewed it as a progress for their economy. The negotiations that occurred for the formation of NAFTA are also presented. The formation of this trade agreement arose various view points and debates, especially among the citizens of the United States and particularly to those who were part of congress. The NAFTA agreement faced huge struggles to pass through congress. There were huge efforts to pass it, but it was both surrounded by critics and optimism. Lastly, the author introduces NAFTA; the terms in which it was constructed and how it came to effect by the United States.

**Hart, Michael. (1990). *A North American Free Trade Agreement: The Strategic Implications for Canada*. Canada: The Institute for Research of Public Policy.**

This book focuses on Canada’s viewpoint and impact with the formation of a free trade agreement potentially among Mexico, the United States and Canada. Canada already had an existing free trade policy with the United States, but Mexico was not involved with any of these two countries in a similar trading policy. Once Mexico emerged with the desire to form an agreement of free trade with the United States

similar to that of Canada, as the author states it, Canada was going to be directly affected by it. Since Canada couldn't have an effect if Mexico acquired the agreement they were seeking for, the country was forced to analyze whether to join both the United States and Mexico to formulate a triple agreement or to remain with the free trading agreement that already existed. A further analysis of Canada's view point and debate takes place. The free trade agreement that can be formed by three nations begins to be studied from a global context. The author mentions the potential "North American Trade Regime" that can emerge with the triple agreement of these American nations. To support its arguments, there is an insight into each of the countries' economies, their trade and investment patterns. This made to give further detail of what the triple agreement will be implementing.

**Bejan, M. (2011). Trade agreements and international movements: The case of NAFTA (North American Free Trade Agreement). *Review of Economic Dynamics*, 14(4). Retrieved from <http://go.galegroup.com/ps/i.do?id=GALE%7CA266062780&v=2.1&u=sanbenitocfl&it=r&p=GPS&sw=w>**

This academic journal focuses on arguing that the creation of NAFTA has made a huge positive impact on the economies of Mexico, The United States, and Canada. As the author, Maria Bejan, states in her own words that the economies of the three countries involved in NAFTA has shifted from a "downward sloping path" to an "upward sloping path" due to the creation of NAFTA. NAFTA seems not only to have helped the economies of the North American countries, but overall it has increased the volume of trade in along the continent. It is also argued, that this agreement has given more

flexibility to the importation and exportation of products from these nations around the world. To test her own arguments, the Bejan uses the neoclassical business cycle model. The data that she brings together seems to support her argument and leaves the creation of NAFTA, once again, as a positive thing for the three countries of North America.

**Baylis, K., Gardu, A., Rivera, R., & Piras, G. (2012). The distributional effects of NAFTA in Mexico: Evidence from a panel of municipalities. *Regional Science & Urban Economics*, 42(1-2). Retrieved from <http://go.galegroup.com/ps/i.do?id=GALE%7CA275674092&v=2.1&u=sanbenitocfl&it=r&p=GPS&sw=w>**

This particular journal focuses on the changes Mexico had within its economy after the formation of NAFTA. Particularly, it studies Mexico's economy from a municipal level instead of a state-level like most arguments the authors say have been made. The studies made by this group of writers, shows that the changes in Mexico's regions after NAFTA have not been equal. The wealthy regions that are located close to the border with the United States began to grow faster than others after NAFTA. On the other hand, the non-trading sectors were less benefited with the agreement made by the North American nations. By contrasting the sectors that were less likely to be affected by the agreement and the regions that benefited the most, the authors of this writing are able to prove that NAFTA did not bring equal benefits to the entire country of Mexico. Pretty much, the regions that were economically successful before the agreement continued to grow, but even at a faster rate. While, aside from these regions, those that had been less fortunate in their economies suffer a greater downfall as NAFTA approaches them.

Rodriguez, M. S. (2011, October). Mize, Ronald L.: Consuming Mexican labor: from the Bracero Program to NAFTA. *CHOICE: Current Reviews for Academic Libraries*, 49(2), 404+. Retrieved from <http://go.galegroup.com/ps/i.do?id=GALE%7CA269338307&v=2.1&u=sanbenitocfl&it=r&p=GPS&sw=w>

This explores the historic background since the times of the Braceros until the creation of NAFTA and the effects it brought. The journal starts by explaining the Bracero program that took place in the United States. It also analyzes these pieces of history from the economic perspective that drove Mexican workers to the North in search of jobs. It gives further insight on trying to explore the Mexican immigrants and the Mexican American and their points of view, particularly in the southwest. The author also mentions the movement from the Mexican workers to defend their rights through the lead of organizations such as the United Farm Workers Organization committee (UFWOC) and the Farm Labor Organization Committee (FLOC). Then, the author moves on to the aftermath of the creation of NAFTA. He shows that the creations of NAFTA affected Mexican labor in both the United States and Mexico, in this case, particularly in the agricultural sector. There is also a mention of the changes that occurred in Canada after the signing of the NAFTA. For both type of citizens, Canadian and Mexican, the trade agreement brought bug changes to the economy of their country and form an important part of their history.

**North American Free Trade Agreement (NAFTA).** *Office of the United States Trade Representative.* Retrieved from <http://www.ustr.gov/trade-agreements/free-trade-agreements/north-american-free-trade-agreement-nafta>

This article gives background information on the creation of NAFTA. It states that NAFTA was enforced starting on January, 1 1994 and by Jan1, 2008 all the restrictions and remaining duties were eliminated. The article also proclaims that with the creation NAFTA, the world's largest free trade area was created with the partnership in trade of Mexico, the United States, and Canada. Statistics are given for the number amount of money that is redeemed from the trade among these three nations. The amounts of money and information of the annual trading among the countries involve in NAFTA is divided by the individual information of exports, imports, and investments. It is said that NAFTA was capable of linking 450 million people and generates an average of 17 trillion annually in goods and services. With this article we are able to know some of the economic amounts that are brought to each country in benefits, particularly in the United States.

**(2011, March). The North American Free Trade Agreement (NAFTA). *United States Department of Agriculture: Foreign Agriculture Service*. Retrieved from <http://www.fas.usda.gov/itp/policy/nafta/nafta.asp>**

This article emphasis on the tariffs that were removed among the three North American countries involved in the establishment of NAFTA. It mentions that NAFTA came in effect by January 1, 1994, however a few tariffs and restriction remain between the trade of Mexico and the United States until 2008. However, although there are particularly no tariff between the United States and Mexico until today, Mexico and Canada remain with a few tariff among their trading. Some of the products that remain with tariffs among both countries include: dairy products, poultry, eggs, and sugar. This article also mentions that before NAFTA became official, by 1989 there were already laws implemented in the agricultural sector that facilitated trading in that sectors among

the countries involved in NAFTA; there was no tariff and until present it remain as one if the greatest sectors of importation within NAFTA.

**(2012). North American Free Trade Agreement (NAFTA). *Public Citizen*. Retrieved from <http://www.citizen.org/Page.aspx?pid=531>**

This specific article criticizes the Creation of NAFTA and argues that in contrast to the promises made with its creation it has actually created damage to The United States, Mexico, and Canada. It also gives some of the background of the opponents and promoters of this project when it was first emerging. The opponents on their side argued that the food safety standards were going to lower and the minorities in the United States were going to suffer a down fall in their economy. The promoters, on the other hand, were some of the world's largest corporations that promise the creation of high paying jobs within the United States and higher living standards in the three countries involved in the agreement, This article is telling us that more than a decade later, if we look back and analyze the pros and cons of NAFTA, we will see that it has further damage the three countries that started it, rather than producing the benefits that were promoted; NAFTA lays more on the arguments that were once made by the opponents. At the end, the article closes by stating that this sort of free trade agreement is now expanding to South America and country like Peru are now also part of the NAFTA association.



