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About 23 years ago NAFTA was first implemented, which allowed Mexico to enter into a new trading agreement with the US and Canada.

At that time, the deal was a promising step that would increase Mexico's economic growth and its internal development. The article contrasts Mexico's economy production with the surrounding countries since the signing of NAFTA, comparing the Mexican economic and social indexes with its financial performance in the past. The results show: Mexico position 15th of 20 Latin American countries in growth of actual GDP per capita from 1994 to 2016, the most basic economic evaluation of living standards Mexico underwent a collapse of financial developing after 1980, with Latin American per capita GDP growth by just 9 percent, and Mexico by 13 percent, from 1980 to 2000.

Mexico's per capita GDP growth of just 1 percent yearly over the past 23 years is mostly less than the rate of increase of 1.4 percent accomplished by other Latin America's countries. If NAFTA were effective in bringing back Mexico's growth rate before 1980 Mexico, today would have been one of the top income countries, with its income per capita notably exceeding countries like Portugal or Greece. It does not make sense that a reform in immigration would have caused a large political issue in the United States since not a lot of Mexicans would try to seek and cross the border. As you can notice, the large poverty rate in Mexico in 2014 was 55.1% which is significantly higher than what the poverty rate was in 1994, according to Mexican national statistics. Therefore, about 20.

5 million more Mexicans are living below the poverty line as of 2014 compared to Mexico in 1994. The rest of Latin America experienced a decline

in poverty for more than five times as much as Mexico: 21 percentage points (from 46 to 25 percent) for the rest of Latin America, versus 3.9 percentage points (from 45.1 to 41.2 percent) for Mexico. Wages for Mexican were almost the same in 2014 as in 1994, with a slight decrease of 4.1 percent over 20 years, and barely above their level of 1980.

Unemployment in Mexico is 3.8 percent today, as compared to an average of 3.1 percent for 1990-94 and a low of 2.2 percent in 2000; these numbers seriously understate the true lack of jobs, but they do not show an improvement in the labor market during the NAFTA years.

NAFTA also had an adverse impact on agricultural employment, as the US supports corn financially and other products wiped out small farmers in Mexico. From 1991 to 2007, 4.9 million Mexican family farmers were repositioned; while seasonal labor in agro-export industries increased by about 3 million. This meant a net loss of 1.9 million jobs.

The reduced productivity coming from the Mexican economy has unsurprisingly led to a rise in Mexicans emigrating to the United States for a better life. The number of Mexican-born residents living in the United States has doubled from 4.5 million in 1990 to 9.4 million in 2000 and peaked at 12.

6 million in 2009. Basically, from 1994 to 2000, the annual number of Mexicans emigrating to the US increased by a staggering 79

percent. Analysis : On January 15th, 1994, the North American Free Trade Agreement was launched, and it took Mexico to a new level of commercial agreement with the US and Canada. Liberalization and freeing of

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trade in textiles, agriculture, and farming, and automobile manufacturing was their main point of their attention. NAFTA's terms, which were put into effect gradually through January 2008, asked for the complete removal of most fees and tariffs on products and services traded between these three neighboring countries.

The treaty also was crafted to protect different intellectual assets, initiate a system of dispute resolution, and in accordance, implement human labor and environmental protection. NAFTA appreciated bipartisan support—it was arbitrated by President George H. W. Bush which passed through Congress and was later carried out under Democratic President Bill Clinton at the beginning of his presidency. NAFTA has essentially reformed the North American economic relationship by influencing a unique integration between Canada and the United States' advanced economies and Mexico's growing country. The agreement uplifted and encouraged the tripling of regional merchandising. The cross-border investment between the three nations also developed considerably. Yet NAFTA has remained a constant target in the broader argument over open trade.

President Donald J. Trump says the agreement has reversed U. S. manufacturing production, and jobs, to Mexico, and in August 2017 his administration relaunched negotiations with Canada and Mexico with the goal of reforming it. It is doubtful to say that Mexico would have done better in the presence of NAFTA. In fact, we can demonstrate the productivity rate of Mexico with other regional countries since 1994 using available economic and social indexes. According to the center of economic and policy research in Washington DC, the growth of GDP per capita in

Mexico from 1994 until 2016 has increased by only 28.7 percent, cumulatively, with the annual rate of just 1.

2 percent. Therefore, it turned to be less in contrast with other regional countries in Latin America like Panama, Peru, Chile with (4.0, 3.2, 3.0) percent annual growth respectively, in the same period.

The same study shows Mexico's growth ranks 15th of 20 countries in the GDP index. Those numbers are a clear indicator of the poor performance of Mexico since the implementation of NAFTA comparing to countries that are not part of that agreement. Another important fact we need to mention is Mexico's growth rate in contrast with the rest of region since NAFTA, comparing to the one before it. According to the center of economic and policy research in Washington DC, Mexico increased twice its income per capita from 1960 to 1980, which was higher than that in its Latin American counterparts as a whole.

Interestingly, if that growth had continued to increase, Mexico would be a high-income nation today. The regional growth of GDP per capita has declined from 8.7 percent in 1960-1980 to only 0.9 percent from the period from 1980 to 2000, in other words, 0.9 annually. Mexico's share in that decline was from 97 percent GDP growth per capita to just 13 percent. In the period from 2000 to 2016, the regional GDP growth per capita was 1.

5 percent annually, with 0.8 percent growth rate for Mexico, according to Feenstra, Inklaar, and Timmer (2015) and IMF (2016). Another study done by Laura Carlsen, the director of the Americas program at the center for international policy, shows the negative impact of NAFTA on Mexico's

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economy. According to her, American financial aid or what is called subsidy aiming to support US corn and others main produce, has damaged the Mexican farmer market by dumping it with subsidized corn making the prices to drop and farmer's livings significantly insufficient.

Consequently, around million have been forced to leave their farms to survive, and prices have increased making people's life difficult. 20 million Mexicans live in food poverty, and 25 percent of the population can't afford staple food not speaking of the 25 percent of children suffering from malnutrition.

Another important adverse outcome of NAFTA is the dramatic increase in the number of Mexican migrants to the United States, with a rate of half a million annually following NAFTA. According to Laura Carlsen, NAFTA jeopardized farmers when multinational corporations controlled their lands that supported their families for decades. Moreover, the significant increase in poverty level created a very fertilized ground for criminals to flourish and threatens the social and economic environment. Another study was done by National Autonomous University of Mexico (UNAM) affirms that Mexico has not achieved their goals within NAFTA regarding decreasing the poverty level in the country, with 55.1 percent poverty rate in 2014 and 52.4 percent rate in 1994. It is also useful to compare the performance of Mexico in decreasing the poverty level with the ones in the regional countries.

The UN Economic Commission on Latin America (ECLAC) assures that the poverty level in Mexico dropped a little from 45.1 percent in 1994 to 41.2 percent in 2014, yet poverty in the region including 19 countries declined

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significantly from 46 percent to 25 percent at the same period.

Another important outcome of NAFTA is connecting the US economy with Mexico's economy, making the latter vulnerable to economic fluctuations and crisis.

With more than the two-thirds of Mexico's exports go to the United States and when the US Federal Reserve's rose the US monetary policy rate in 1994, the peso crisis occurred causing a loss in the GDP of Mexico by 9.5 percent. Another example of the result of integrating the economy of the US and Mexico is the recession that happened in Mexico following by the one that took place in the US first in 2000 caused by the stock market issues and then in 2006-07 as a consequence of the biggest asset bubble issue in the world history. In that recession, Mexico has suffered more than any country in Latin America due to what expert refer as the negative influences of the US economy on it with a decline in Real GDP of 6.7 percent from 2008 to 2009. A Mexican manufacturing employment rate following NAFTA was expected to rise, but it did not reach the hoped level for a couple of reasons. Like producing products assembled from imported parts and components, which led to adding small values and little job creation. The most prominent case happens in maquiladora plants which are owned by American or multinational companies, where imports inputs occupy three-quarters of the cost of their export.

Secondly, Mexico losses the surplus it gains from trading with the US to the deficit in goods trade with Asia (about \$55 billion with China), and \$25 billion deficit with Europe. As such Mexico did not improve a lot in terms of increasing employment rates from its trade. Lastly, the industrial growth rate

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was slow, and China's entering the US market as a fierce competitor has impacted the employment growth of the manufacturing sector negatively. Interestingly, Mexico is a better market for the US than China, despite the deficit in trade between Mexico and the US towards Mexico, due to the surplus in US import to Mexico comparing with the one to China. The forecasts of rising US jobs within NAFTA, from increasing export to Mexico, was overestimated and turned out to be proven wrong. NAFTA proponents claimed that opening Mexico to free trade and unregulated foreign investment would boost job growth and raise incomes needed to create a stay-at-home middle class.

There was an effort in the early 1980s by a group of U. S.-educated economists and business people who took over the ruling Partido Revolucionario Institucional (PRI) to build a privatized, deregulated and globalized Mexican economy. Among their objectives was tearing up the old corporatist social contract in which the benefits of growth were shared with workers, farmers and small-business people through an elaborate set of institutions connected to the PRI.

NAFTA, however, provided no social contract. It offered neither aid for Mexico nor labor, health or environmental standards. The agreement only protected corporate investors and everyone else was on his own.

NAFTA's critics knew it would stimulate more trade; that was, after all, its function. Instead, what happened was that all of the benefits that came with new business went largely to the rich while the middle class and the poor would pay the costs, and the promised growth did not materialize.



Although NAFTA is not the cause of all Mexico's economic troubles, it has made them worse. Since NAFTA's inception in 1994, the Mexican middle class has shrunk, and the number of poor has expanded. Economic growth was below the old corporatist economy's performance and substantially less than what is needed to generate jobs for Mexico's growing labor force. The North American Free Trade Agreement was meant to integrate the economies of the United States, Canada, and Mexico by breaking down trade barriers among them, creating jobs and closing the wage gap between the U. S. and Mexico.

What happened under NAFTA was that heavily subsidized U. S. corn flooded the Mexican market, putting millions of farmers out of work.

Multinational corporations opened up factories creating low-wage jobs at the expense of organized labor and the environment. This, in turn, drove waves of migration north. Mexico has benefited less than its neighbors to the north. During NAFTA, Mexico has had the slowest rate of economic growth than with any other previous financial strategy since the 1930s. From 1994 to 2013, Mexico's gross domestic product per capita has grown at a paltry rate of 0.89 percent per year. Additionally, During NAFTA, Mexico's economy grew much slower than almost every Latin American country.

NAFTA has boosted trade and investment but has not translated it into meaningful growth that generates jobs. One of the problems it has caused is an exporting economy for transnational corporations, and not for the Mexican industry. The initiation of NAFTA in 1994 pushed under a guise of a free trade partnership with Mexico that was supposed to bolster the

economy and curb immigration did just the opposite. Heavily subsidized US crops flooding in drove production down and consumer prices up. New corporations dominating the market collapsed small businesses across the country, sweatshop labor surged, 20 thousand of small Mexican businesses were destroyed in NAFTA's first four years.

The price of corn, Mexico's main staple, fell by 66%, therefore, ejecting at least two million small from their land, because of the lack of profit, and forced to migrate north in search of life-sustaining work. NAFTA's model of neoliberal development exploits Mexico's food independence. In post-NAFTA Mexico 42% of the food consumed comes in from abroad. Following this terrible policy about 22 million Mexicans in a country of approximately 122 million live in food poverty, the number of undocumented immigrants coming to America increased a dramatic 185 percent. NAFTA gave a major boost to Mexican farm exports to the United States, which have tripled since NAFTA's implementation.

Hundreds of thousands of auto manufacturing jobs have also been created in the country, and most studies have found that the pact had a positive impact on Mexican productivity and consumer prices. There are no doubts that NAFTA has created a great opportunity for both American and Mexican nations by increasing the level of trading and economic integration. Mexico however, has learned a very profound lesson that NAFTA by itself can not boost the economy and make miracles, but a deep and comprehensive reformation in the economic system would be able to put Mexico among the top countries with the strong and productive economy. Conclusion: The NAFTA agreement, signed 20 years ago, was believed by many that it would

improve the Mexican economy, create more jobs and decrease the amount of Mexicans immigrating to the US. However, NAFTA had a horrible consequence on Mexico; instead, it ruined the economy, has shrunk the Mexican middle class and expanded numbers of poor. It had put millions of farmers out of work, and the real wages in Mexico have fallen significantly below pre-NAFTA levels as price increases for essential consumer goods the exceeded salary increased.