

Where are the jobs going? These jobs are now moving from high minimum wage locales such as Canada, to 'right to work states', to 'have to work' countries, such as Mexico. Let's look at the example of Mexico with or without NAFTA. Manufacturing jobs will continue to be Mexico bound. Why? Because of both increased incentives and fewer barriers.

The first of the increased incentives is the continuing supply of low cost labour. Any basic demographic analysis in Mexico shows that over 50 per cent of Mexico's 90 million people are under the age of 20. There are millions of Mexicans entering the workforce each year who will take any job in order to survive.

The second incentive in Mexico is a welcoming attitude. There were no great debates in Mexico in regards to NAFTA like those which occurred in the U.S. or Canada. NAFTA was widely considered a very positive undertaking because it was an opportunity to improve the standard of living for most people.

The third incentive is local market access which is now not only possible, but desirable. Within Mexico, perhaps as much as one third of the population has per capita income of roughly US\$4,000. This is widely considered the hurdle point at which people enter the market for consumer goods. Finally, the other incentive for entering Mexico is that it does represent a gateway to Latin America.

In addition to all of these incentives, there are now far fewer barriers to entering countries such as Mexico, than existed before. The first of these reduced barriers is the ease of staffing. At one point it was very difficult for multinational enterprises to find a supply of well trained, local managers. This is no longer the case. There are first rate training schools and schools of business in Mexico. As well, the academic community in the industrialized countries has become far more adept at training people for international assignment. This is due to the internationalization of management education. Textbooks, one of the primary sources of knowledge, are now widely distributed and translated. Student foreign exchanges are frequent, and academic partnerships are common.

The second reduced barrier is infrastructure improvement. This has made cross border coordination much easier. The existence of reliable telecommunications, including fax, has made it easier to maintain a distant facility.

Third, a track record now exists. The follower companies, not just the missionaries, can prosper in countries such as Mexico.

Finally, there is a demonstration that quality control can in fact be managed, even in countries where there was no great tradition of quality control in manufactured goods. There are companies within cities such as Monterrey, Mexico which have manufacturing facilities where they measure defects in terms of parts per million. This is the same as the best manufacturing plants in the world.