

- In both Mexico and Canada, NAFTA opponents were concerned with the potential loss of cultural identity, sovereignty, and political autonomy that could result from a closer, more open relationship with their much larger and more powerful trading partner.

The opposition to the NAFTA produced concrete results: three complementary agreements were generated, one dealing with environmental concerns, another with labor practices, and a third with protecting the harmful effects of import surges (i.e., sudden increases in the volume of U.S. imports).

Understanding the NAFTA

"Economic integration occurs when two or more countries join together to form a larger space. Countries enter integration arrangements in the expectation of economic gain."⁹ Economic integration can occur in a variety of forms—from a simple free trade area to a much more complex economic union (see chapter 2)—but the essence of economic integration is linking national economies.

From the outset it should be clear that the NAFTA is not simply a free trade agreement among the three nations. If it were, it would consist of considerably fewer than the approximately two thousand pages that were needed to adequately define the new North American economic relationship. The NAFTA extends to include rules on foreign investment and the treatment of intellectual property, but, significantly, it excludes labor flows.¹⁰

In order to understand the NAFTA, its implications, and its future development, we have provided—in the next seven chapters—a brief but comprehensive overview of what you need to know, including:

⁹ Franklin R. Root, *International Trade and Investment*, 7th ed. (Cincinnati: South-Western Publishing, 1994).

¹⁰ There are provisions for the temporary entry of certain white-collar workers in certain occupations, but in general terms the agreement does not provide for the free movement of workers between member countries, as does the European Union.