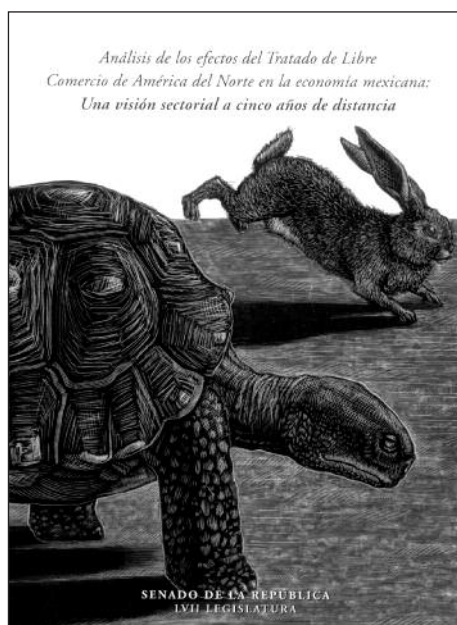


Reviews



Análisis de los efectos del Tratado de Libre Comercio en la economía mexicana: una visión sectorial a cinco años de distancia

(Analysis of the Effects of the North American Free Trade Agreement on the Mexican Economy
A Sectorial View, Five Years Later)

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Senado de la República

Mexico City, 2000, 2 vols., 582 pp., 767 pp.

This book is the result of the Mexican Senate's evaluation of NAFTA and includes presentations and discussions carried out in fora organized by its technical committee. It includes the points of view of experts on different sectors of the economy as well as those of businessmen and workers directly affected by NAFTA, either positively or negatively. It also includes an overall balance sheet of the agreement's impact.

In these comments, I will address only three aspects of the evaluation which I consider particularly significant.

First, what has been evaluated is the result of the economic policies generically referred to as the opening of the Mexican economy. This process began in 1983 and accelerated after 1989, with the 1994 corollary, the North American Free Trade Agreement with the United States and Canada. The evaluation was a response to the need for a government body other than the executive branch to assess the effects of its public policies in the name of the whole society.

This exercise's particular relevance lies in the political context in which it was carried out. Rather than simply rubber-stamping these policies, this evaluation was used by the most affected sectors of society as an opportunity to speak out and voice their concerns in order to rectify, correct and even eliminate policies with a negative impact, as well as to explore and expand those which have been beneficial.

Economic policies are rarely neutral; they favor some and are detrimental to others. It is the function of the state to strive to benefit the majority and the obligation of political bodies representing society to make sure that this is the case and to take action when it is not.

Although this was not the first forum for discussion organized by the Senate recently, it may be the first in which the results reflect the community's feelings and have a direct impact on economic policies. Now is the moment in which the opening of the national economy must be explained and accounted for and corrections made so as to achieve more favorable results for society. Economic policies are a means to an end, an instrument used to benefit society. Therefore, NAFTA should be a political instrument generating tangible, concrete benefits.

Second, I would like to point out the quality and objectivity

both of the fora's organization and the compilation and presentation of their results. The theoretical and practical treatment of each topic, the extensive consultation and the analysis were all carried out objectively and without ideological bias, which would not have allowed a clear vision of the positive and negative aspects of government actions. Just as state ideology led to detrimental indiscriminate protectionism, likewise, neoliberal ideology, so fashionable today, has led to the indiscriminate opening of the economy, causing as much—or more—harm as the protectionism of the past.

Third, as far as content is concerned, I believe this careful evaluation indicates that despite the positive impact on exports of the opening of the Mexican economy, and of NAFTA in particular, important negative effects lead us to conclude that some aspects of this policy and of NAFTA itself should be reviewed. Favorable effects on production, employment and the foreign currency balance have expanded exports. However, this is counteracted by the unfavorable impact on domestic production due to the increase of secondary and raw material imports. This has resulted in some production chains being broken and increased pressure on the trade balance.

On the other hand, I believe that export-based growth has not been sufficient to increase formal employment enough to recover the lag of various years and to reduce underemployment. Without a clause in NAFTA addressing the mobility of the work force, a great number of Mexicans will continue to emigrate to the United States in search of jobs. The export-based growth model could have a greater and better impact if it were combined with policies ensuring more—and not less, as is the case—national content in the goods produced. I do not share the motto “That’s the way it has to be.” I believe there are other options. Changes are not only possible, but necessary, even if this goes against what the experts preach.

Finally, I believe that because of its importance, this book should be widely distributed and this evaluation continued in the future. ■■

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