POWER RELATIONS UNDER NAFTA: REASSESSING THE EFFICACY OF CONTENTIOUS TRANSNATIONALISM

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Over the past 15 years, students of contentious politics have increasingly linked the upsurge in protest incidents to the neoliberal globalization of the world economy.¹ One of the more interesting questions emerging from this research is how civil society groups are increasingly “going transnational”— reshaping their protest tactics along cross-national lines — to better target neoliberal policies and institutions.² This article assesses the manner in which the North American Free Trade Agreement (NAFTA) has affected the styles and strategies of civil society groups working across borders to develop solidarities and jointly undertake collective actions. This article first identifies and provides an overview of the major developments in this national and transnational civil society organizing which have emerged to contest NAFTA and continental economic integration. Second, it asks critically how well these strategic innovations have allowed popular forces to exercise political and economic power under NAFTA, and rebut the fallout from the entrenchment of neoliberal continentalism.

Ultimately, the conclusion reached is simple, if unconventional: despite the notable record of North American contentious politics, especially of cross-border tactical innovations, NAFTA has facilitated a restructuring of the balance of power in favour of capital, investors, and allied political elites. Asymmetries in economic well-being, political influence, and access to political power have only widened under NAFTA. Organizational innovations between North American civil society groups and new developments in transnational civic campaigns have not substituted for the loss of concrete state-level political connections and political leverage for effective and successful campaigns of contentious collective action.
As economic conditions have deteriorated for lower- and middle-income people across the continent, popular strategies have failed to adequately contest those very nation-state-level political processes which continue to advance neoliberal policies and institutions at both the domestic and international level. NAFTA is a product of such domestic political processes and reflects the rise to dominance of the neoliberal governing paradigm. The political elevation and consolidation of market principles over the public sector and social market approaches to political economy has become entrenched as the reigning governing policy framework in Canada, the US, and Mexico for the past decade. This article concludes by arguing for a reassessment of the efficacy of popular protest repertoires, with particular attention towards adopting more tactics appropriate to strategies that focus on the nation-state as the continued guarantor of the rights of capital.

Power Repertoires and Neoliberal Globalization  Contemporary research on social movements and protest has identified the repertoire concept as a useful approach for understanding how people attempt to develop and exercise power in political and economic relations. Power repertoires have been described as a “historically specific constellation of power strategies;” that is, at any given point in time there exists a limited set of protest tactics that a given population accepts as a possible means for influencing and making claims on authorities. Due to the tendency for people to hold to accustomed modes of behaviour, such collective action repertoires have changed slowly over time. Groups may continually experiment with new tactics and forms at the margins of the existing repertoire, but these innovations rarely endure, and only in rare instances is an entire repertoire replaced by a new set of tactics.

When power repertoires have changed, they have done so in response to significant evolutions in capitalist economic and political relations. The consolidation of a more urban, industrialized state in the nineteenth century provoked power repertoires which increasingly targeted state political processes. Thus, as popular political action became national, economic and political power was increasingly realized through the mass strike, the mobilized working class vote, and the right to collectively bargain and form
Central to what could arguably be considered the emergent, albeit fragile and temporary, power balance between capital and popular forces after World War II was the promise of effective, aggressive action by national governments to ameliorate the worst excesses of the marketplace. It was thus often accepted that, into the 1970s, the political power of the state served as the main countervailing force against the worst abuses of capital and multinational corporations, and popular groups could reliably target national policymakers to address pressing economic and social concerns.

What, then, can be said of the historically specific characteristics of power strategies today under conditions of neoliberal capitalist globalization? There is a great deal of experimentation at the margins of the nationally oriented power repertoire. Strategic innovations, in form and tactics, are occurring in transnational directions. Over the past thirty years, economic and political relations have changed. Capital, goods, and production have become more transnationally oriented. Today, global capitalist restructuring has been epitomized by the increased ubiquity of firms employing strategies of downsizing, outsourcing, and the implementation of, or at least the threat of, exiting and relocating to lower wage production sites. The political power of the state has been redirected towards supporting trade and investment liberalization, deregulation, and privatization increasingly. These policies are realized in regimes of so-called global and regional governance such as the World Trade Organization (WTO) and NAFTA.

It is often presumed that the new countervailing power for challenging these neoliberal initiatives does not rest in well-trod state-level organizing efforts but in new forms of contentious transnationalism. Contentious transnationalism can be understood as collective activity on the part of social groups who share similar goals and partly employ noninstitutionalized protest tactics to build transnational cooperation in the pursuit of social change. The past decade has witnessed a well-documented upsurge in transnational civic activity around a host of global issues. In fact, while civil society groups have not forsaken state-level action altogether, there has been a great deal of energy, strategizing, and direct action devoted to exploring new transnational forms and tactics to oppose the evolving neoliberal architecture in the global economy. Working-class strategies, for
example, have begun to move beyond the realm of the more hierarchical, bureaucratic internationals, and embrace new forms of internationalism that include cooperating across sectors or across national borders with other civil society organizations. Moreover, the heady post-Seattle upsurge in increasingly contentious transnational activism has been on more frequent display against neoliberal institutions, summits, and policies: from the meetings of the International Monetary Fund in Washington, DC, to the Free Trade Area of the Americas in Quebec City, to the G8 in Genoa, to the WTO ministerial in Cancun.

First Assessment: The Shifting Repertoire of North American Contention

NAFTA marked a moment of increased fluidity in the existing protest repertoire, and the North American context has displayed its own regional patterns of contentious political behaviour. National protest campaigns—first in Canada against the Canada-US Free Trade Agreement (CUSFTA) and then more broadly against NAFTA—were key precursors to eventual cross-border collaboration efforts. The cross-sectoral and cross-Canada protest mounted by the Pro-Canada Network (PCN) in the 1988 Canadian federal election campaign to oppose the CUSFTA was the most obvious trendsetter for subsequent and more innovative forms of civil society collaboration. The CUSFTA stimulated broad national opposition throughout Canada over fears of a possible erosion or loss of political sovereignty, social programs, and cultural identity, as well as imminent job losses. Women’s, labour, Aboriginal, student, church, environmental and other social activist groups put previous divisions aside to draw upon their collective strengths and expertise as a self-designated “popular sector,” engaging the Canadian public in a significant debate over the consequences of further economic integration with the United States. Ultimately, the experience of cooperating cross-sectorally through the PCN umbrella network structure invigorated enough activists to continue to mobilize within the renamed Action Canada Network (ACN), despite the implementation of the CUSFTA.

There was a substantial increase in cross-border activity between Canadian, US, and Mexican groups leading up to and during the negotia-
tions for NAFTA. There was increased experimentation at the margins of the national protest repertoire even before NAFTA came into effect. In an attempt to rally their national publics against the accord, citizen groups in the three member countries shared information and plotted strategy leading to the emergence of cross-border and cross-sectoral cooperative strategizing. Canadian groups played a leadership role by sharing their experiences of networking against the CUSFTA with their US and Mexican counterparts. Regular cross-border exchanges and conferences between various organizations began as early as 1990, when discussions over a possible continental accord became more serious. Consultations on free trade and its impact were held in Canada, the US, and Mexico and along the US-Mexico border. While many of these actions were short-lived, narrowly focused campaigns critiquing the possible sectoral implications of NAFTA, long-term strategic relationships also emerged. These relationships provided the building blocks for more sustained forms of contentious North American civic activity.

The 1994 NAFTA played a role in enlarging the number of potential groups and sites available for coordinating contentious political activity across North America. In fact, over the past ten years, more formalized interactions have arisen between civil society groups and decisionmaking authorities and institutions within the NAFTA-delineated political space. What has emerged across North America parallels broader global innovations that characterize power repertoires under neoliberalism. Similar to optimistic observations about the potentials inherent in an incipient global civil society project, observers of North America were quick to note the novelty and promise of continental civil society mobilization across the region.

Many North American-based civil society groups have mobilized against neoliberal policy initiatives outside the continent to include campaigns against the WTO and the proposed Free Trade Area of the Americas (FTAA). Yet, a pattern of contention as presented in Table 1 has also nonetheless become more common within the North American political space. Both national and transnational types of contention have emerged, demonstrating institutionalized or noninstitutionalized characteristics. Institutionalized claimsmaking can be understood as collective activity that
draws upon largely nondisruptive tactics and works through formal or established political channels to achieve desired results. Noninstitutionalized claimsmaking appears as clearly more disruptive forms of collective action, drawing upon the repertoire of protest tactics, strikes, sit-ins, and demonstrations and pursuing claims outside formal political channels in noninstitutional, extraparliamentary settings.

### Table 1
**Typology of North American Contention (Post-NAFTA)**

<table>
<thead>
<tr>
<th>Types of Contentious Political Activity</th>
<th>Institutionalized</th>
<th>Noninstitutionalized</th>
</tr>
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<tbody>
<tr>
<td><strong>National</strong></td>
<td>Formal Lobbying of National Governments</td>
<td>Routine Domestic Protest</td>
</tr>
<tr>
<td><strong>Transnational</strong></td>
<td>Collaborative Petitioning with NAFTA NAALC and NAAEC</td>
<td>Cross-Border Protest Campaigns, Parallel Strike, and Solidarity Actions</td>
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**National Contention: Lobbying and Routine Domestic Protest** At one level in the years following NAFTA, social groups relied on traditional national protest repertoires to resist neoliberal continental restructuring. The experience of mobilizing against NAFTA, especially the trend towards cross-sectoral coalition-building, inspired other national organizations to adopt coalition structures. In Canada, the ACN was eclipsed by the Council of Canadians as one of the most active organizations critical of NAFTA.\textsuperscript{16} But in the US and Mexico, coalition work continued through cross-sectoral national coalitions such as the Alliance for Responsible Trade (ART) and the Mexican Action Network on Free Trade (RMALC). These civil society groups gained experience during the NAFTA fight, and, after the agreement’s implementation, they cooperated to publicize NAFTA’s perceived ill-effects on national social and economic programs.

NAFTA continues to promote a high degree of national contestation in Mexico as there has been renewed interest in the accord’s impact on Mexican
civil society and democratic political processes. RMALC, for example, has sought to expand public debate and enhance grassroots education about the perceived social inequities of the NAFTA for the average Mexican. But in contrast to the Canadian and US case, RMALC sought to situate NAFTA and its impact within a broader discussion about democratization and economic justice in Mexico. Following the implementation of NAFTA, RMALC’s research team and resource base grew dramatically to represent dozens of Mexican civil society organizations critical of NAFTA’s perceived negative impact on Mexico’s environment and agricultural sector, as well as its lack of attention to labour migration issues. Recently, large-scale farmers’ protests have erupted to oppose the removal of remaining tariffs on the still heavily subsidized agricultural imports coming from the US, echoing some of RMALC’s major concerns about NAFTA and its impact on Mexican society.

In the United States, ART collaborated with its member organizations to document the impact of NAFTA on jobs and the environment. ART is a national multisectoral coalition representing several dozen labour and environmental social solidarity groups, and policy and research organizations. Its internationalist position on trade was inspired by work with Mexican and Canadian groups during the NAFTA debate. ART has developed in-depth analyses and crafted alternative policies for economic integration to promote both sustainable development and raise environmental and labour standards. Its work in exposing deficiencies in the NAFTA overlapped with, but was also distinct from another US-based group, Public Citizen, in the “Citizen’s Trade Campaign” (CTC). Whereas ART remained a smaller networking group focused on policy analysis and transnational networking, the CTC had expanded into a national network linking 38 state-level coalitions during the NAFTA debate. The depth and breadth of its network provided the CTC with the capacity to undertake a large national campaign in a failed bid to defeat NAFTA in the US Congress.

Inspired by the NAFTA fight, the CTC focused on opposing Congressional approval of NAFTA-style legislation that promotes deregulatory policies across the continent and the wider hemisphere. Additionally, it also opposes the renewal of Presidential “fast-track” or the renamed “trade-promotion” authority. Throughout the 1990s, a grassroots coalition
including labour, environmental, consumer advocate, and human rights groups had lobbied US Congressional representatives against renewing fast-track authority. The campaigns in the early 1990s floundered and failed to sway a number of supposedly pro-labour and pro-environment Democrats. However, then US President Clinton twice failed to gain renewal of fast-track authority, in 1997 and again in 1998, damaging his government’s credibility heading into the WTO meetings in Seattle. These defeats were a clear result of intense lobbying by CTC-affiliates in Washington Congressional offices and CTC-organized protests in Congressional home districts across the country, and they underscore how CTC coalition work had matured since the NAFTA debate.

In Canada, civil society groups opposed to NAFTA increasingly lacked the national political connections and leverage available to US groups. The Canadian domestic political context had become less hospitable to the sorts of activism that found success during the mobilizations against the 1988 CUSFTA. Then, sympathetic federal Liberal and New Democratic parties had opposed the CUSFTA, sometimes strategizing with PCN-affiliated groups to critique various aspects of the deal. By the mid-to-late 1990s, however, Canadian activist groups found fewer political opportunities or viable allies within Parliament. The federal Liberal party, now a majority government and once on record as favouring the abrogation of NAFTA, had become firmly supportive of further NAFTA-style neoliberal trade and investment accords. The NDP offered little substantive assistance to NAFTA’s critics having lost official parliamentary status in the 1993 federal election, and then hovering just above it after the 1997 and 2000 elections.

Towards North American Contentious Transnationalism In the 1990s, activists and observers alike focused increased attention and enthusiasm on cross-border contentious political action against NAFTA, as they were faced with political environments less hospitable to national campaigns. The potential for developing new trinational solidarities and exploiting new political opportunities for labour, environmental, human rights, and women’s transnationalism did seem promising in the first several years of the accord’s existence. North American civil society groups developed deeper
transnational ties in the wake of NAFTA. This dynamic of transnational civic participation can be divided conceptually into two dimensions: (1) a record of institutionalized contentious political activity between citizen groups in Canada, the US and Mexico, and the political opportunities offered by the institutions that arose out of NAFTA's side agreements on labour and environmental cooperation, and (2) ongoing noninstitutionalized contentious actions that have developed through cross-border protest campaigns, parallel strikes, and solidarity actions linking Canadian, US, and Mexican groups.

Initially, both the North American Agreement on Labour Cooperation (NAALC) and the North American Agreement on Environmental Cooperation (NAAEC) sparked transnational civic cooperation between citizen groups in Canada, the US, and Mexico. The origins of these agreements lie in US President Clinton’s attempts to get NAFTA passed by a skeptical US Congress in the fall of 1993. A number of Clinton’s key Democratic party constituencies, especially organized labour and environmental groups, were opposed to the deal. However, a combination of pork barrel politics and two side-agreements provided Clinton with the votes needed to see NAFTA’s passage through Congress. At the time, the NAALC and NAAEC were seen as providing an incomplete, but novel, form of inclusionary politics for civic participation in the NAFTA regime. What was unexpected was that the agreements and their accompanying institutions would become sites for transnational contentious political action between citizen groups and corporations in North America.

The agreements provided for a complaint review process for citizen groups in the member countries who felt that a national government was failing to uphold existing labour or environmental standards or laws. Unions, environmental groups, and human rights activists have used these submission processes to spotlight problems with domestic labour and environmental laws, as well as for cultivating media publicity and public scrutiny of employer misconduct or corporate disregard for the environment. From the outset, the agreements were not without their critics. There is nothing in the agreements that prevents states from lowering labour or environmental standards. Obligations on member states are limited to the administering
and enforcing of existing labour and environmental laws in a purportedly transparent and fair manner. Moreover, both agreements lack remedies or common minimum standards when workers rights or environmental standards are violated nor can the agreements directly result in regained jobs, back pay, union recognition, or environmental clean-up.25

Nonetheless, in spite of these weaknesses, and despite initially low expectations, these agreements and their corresponding institutions — the Commission for Labour Cooperation and the three National Administrative Offices in Canada, the US and Mexico, and the Commission for Environmental Cooperation, its Secretariat and Joint Advisory Public Committee — encouraged the deepening of cross-border ties and collaboration between Canadian, American, and Mexican citizens groups.26 These intergovernmental arrangements became some of the few formal and established political channels through which North American citizen groups were able to direct largely nondisruptive tactics in an ongoing petitioning or claims-making process.

In the case of the NAALC, early skepticism and submissions by mostly smaller independent unions evolved into more heightened interest and the involvement of the major labour federations in Canada, the US, and Mexico in the submission process.27 Over two dozen cases have been filed with all three National Administrative Offices (NAOs) involving alleged workers violations in Mexico, the US, and Canada since 1994. Examples include: the first cases filed with the US NAO in 1994 over the alleged firing of Mexican workers at facilities of the US corporations Honeywell and General Electric; the Mexican NAO’s acceptance of a case involving the closing of a Spanish-language telemarketing facility of the Sprint Company in San Francisco, California in 1995, and the case heard by the US NAO in 1998 involving the closing of a McDonald’s restaurant in Quebec on the eve of a union certification for workers.28

For the organizations involved in the citizen’s submission process, the legal results were generally overshadowed by the political value gained by the deepening of trinational ties. Labour union federations, independent unions, and human rights groups, for example, have interacted and exchanged information and personnel over the years since NAFTA’s implementation.29 These
Trinational exchanges were prompted by the logic of the submission process: citizen groups submitted complaints about workers’ rights violations in one country to an NAO of another country, and this legal process, in turn, encouraged citizen groups to seek out partners across borders to navigate foreign political and legal expectations and social norms. These exchanges occurred not only at the level of bureaucratic elites, but between rank-and-file workers. There are a number of examples where workers in Canada, the US, and Mexico have travelled to neighbouring countries to meet with, and provide assistance to, workers involved in strikes, union organizing drives, or publicity events.\(^{30}\)

The NAAEC has also encouraged coalitions of citizen’s groups to demand national governmental enforcement of existing environmental regulations, a more transparent process for submitting complaints, and a more inclusive means of generating public participation in environmental regulation.\(^{31}\) Citizen’s groups have filed several dozen complaints with the Commission for Environmental Cooperation Secretariat alleging that a NAFTA party had failed to enforce existing environmental laws. The citizen submission process has helped to identify issues in all three NAFTA countries regarding lax environmental enforcement, and has provided an arena for highlighting matters of concern to the public. Transnational cooperation and interaction has also been fostered through the creation and functioning of the NAAEC’s Joint Public Advisory Committee (JPAC). This trinational body was designed to ensure that citizens of all three countries have the opportunity to contribute to the submission process. Its 15-member body is composed equally of members of all three NAFTA states, and it has a history of strong representation from nongovernmental citizen’s groups as well as from the business community.

This record of transnational collaboration was complemented at times by an expanding array of contentious activities unfolding outside of formalized institutional channels. These included: transnational coalitions and social movement organizations with full-time staff and available resources; organized displays of international solidarity such as cross-border campaigns against sweatshop labour and for corporate accountability, and less institutionalized forms of cross-border protest against corporations and government...
policies in the region. One of the better known of such initiatives, the Echlin Workers’ Alliance, a trilateral grouping of citizens’ groups that filed a petition with the US NAO in 1997, buttressed their submission with a series of coordinated cross-border solidarity actions at Echlin workplaces across North America. Again, while the petition submitted to the NAO sought to highlight labour rights abuses and health and safety violations, the members of the Echlin Workers Alliance picketed Echlin headquarters in Connecticut, protested at shareholders meetings, and actively publicized the petition in media campaigns in all three countries. This process promised to become one of the more creative approaches for contesting labour rights abuses within the North American political space: submitting citizen’s petitions that involve multiple parties combined with transnational political activism.

The NAALC and NAAEC are not the only forces driving trinational collective actions: neoliberal economic restructuring across the continent has encouraged groups in the three countries to frame challenges and strategies in similar fashions. Mutual concerns over environmental degradation, corporate accountability, or labour issues frequently provoked groups to seek out cross-border partners in solidarity actions. Moreover, outside the more formalized NAALC and NAAEC citizen submission processes, citizens’ groups are engaging in a variety of cross-border campaigns, conferences, and workshops, actively documenting the missing social, environmental, and human rights dimensions of NAFTA.

The US-Mexican border region has been an especially active area for the development of binational coalitions, political exchanges, and cross-border campaigns. The Coalition for Justice in the Maquiladoras (CJM) is one of the longest lasting coalitions targetting inhumane working conditions along the border. It has drawn its membership from a trinational base of Mexican, US, and Canadian unions; churches; human rights organizations; women’s and environmental groups, and international solidarity actors to pressure corporations to adopt socially and environmentally responsible practices in the maquila areas. For more than ten years, the CJM has employed dozens of coordinated cross-border campaigns targetting specific corporations, educating workers, holding press conferences to bring unscrupulous corporate practices to public light, and documenting the facts of cases to give
popular sector actors leverage for demanding reforms and law abidance. Other types of cross-border solidarity actions not limited to close border collaboration include the efforts of the Workers Rights Consortium and the United Students Against Sweatshops in supporting striking Mexican workers at assembly plants across Mexico. The explosive growth in foreign-owned, low-wage assembly plants in Mexico since the implementation of NAFTA has subsequently encouraged further campaigns to stretch corporate codes of conduct across borders.

In the ten years since NAFTA’s inception, civil society groups’ cross-border actions have expanded the national power repertoire. The evolving patterns of contentious transnationalism have attracted considerable attention, and why not? There have been unexpected advances in civic cooperation and innovative tactics for challenging the state prioritization of neoliberal principles across the region. Novel cooperation has emerged through the exploitation of side-agreement institutions, through the construction of cross-border solidarity networks, and through coordinated protests and strikes. These forms of cooperation have encouraged the spread of information about consumer, labour, and environmental practices in all three NAFTA states. This contentious transnationalism has also been a fruitful site for the sharing of national struggles and campaigns against privatization schemes, and trade and investment liberalization.

However, the long-term potential for the NAALC and the NAAEC to sustain cross-border civil society collaboration, or promote greater policy convergence between the three NAFTA countries, is in doubt. There has been a decline in citizen submissions to the NAALC and NAAEC, which underscores the limitations of these regional institutions as they exist today for advancing civil society complaints. Civil society actors have become disillusioned with the weaknesses of the institutions and have shunned participation in the process. Ultimately, these institutions are severely limited in their capacity to promote any sort of labour or environmental regulatory regime under NAFTA. Moreover, these institutions hold less potential for helping popular sector forces exercise political and economic leverage under a neoliberal-oriented regime that is geared towards promoting a deregulated environment for investors and capital accumulation. At the same time, while
there are some notable achievements in cross-border collaboration — the Echlin-Dana Workers Alliance and the Coalition for Justice in the Maquiladoras come immediately to mind — there remain significant asymmetries and built-in conflicts of interest between sectors and across the civil societies of the three NAFTA states. Outside of the more developed partnerships along the US-Mexican border, cross-border partnerships have been difficult to sustain and have had limited impact on advancing popular sector claims.

**Second Assessment: Power Shift Under NAFTA** Despite the development of a more flexible protest repertoire marking shifts towards increased episodes of contentious transnationalism across North America, the balance of power under NAFTA has continued to shift markedly. The capacity for working people to effectively exercise political and economic power across the continent has diminished, despite innovations in power strategies designed to challenge neoliberal restructuring. With NAFTA, investors have gained a variety of specific new rights that have advanced capital mobility, and enhanced efficiency and profit accumulation. No corresponding rights were accorded to working people. What NAFTA represents is a ten-year exercise in advancing the interests of capital, strategically facilitating opportunities for downsizing, outsourcing, and factory relocation in the face of still nationally situated and relatively immobile workers. The following section of this article suggests some of the ways in which the changing economic conditions across the continent under NAFTA have differently affected the power capacities of capital and working people.

**Enhancement of Investor Rights** Perhaps the most obvious example of a NAFTA-induced constraint is the creation of specific rights granted to investors and holders of private property. The now well-known and contentious NAFTA Chapter 11 “investor-state” clause gives investors the right to seek compensation by suing governments over public interest laws that might undermine profits. Aside from the largely ineffective labour-side agreement, NAFTA by contrast is silent on labour rights, and has not in any way over the past ten years helped workers in campaigns to unionize or
bargain collectively over wages. Rather, it seems clear that this investor-state clause has helped corporations sue over “indirect expropriation,” and has possibly discouraged governments from passing new public interest laws. This has created a context where nearly any government action that might hinder profits is subject to complaint and compensation.

Even more broadly, NAFTA has accelerated the mobility of goods and capital, while doing little to promote labour mobility across the continent. NAFTA has privileged the relocation of factories and jobs as well as the privatization of essential services. While limitations on the regulation of foreign investors have become a continent-wide norm, it is arguably most apparent in Mexico. Under NAFTA, the Mexican government is prevented from adopting local content policies or procurement preferences, undermining the capacity for small- and medium-sized businesses to compete with larger, foreign multinational corporations.

**Enhanced Capacity to Outsource or Relocate** NAFTA has encouraged the development of a significantly more flexible labour market across the continent. Clearly one consequence of this more flexible labour regime is the enhanced power gained by management and investors to either threaten or actually undertake the relocation of production facilities. As the Carnegie Endowment for International Peace has noted in its recent study, *NAFTA’s Promise and Reality*, it is “likely that the relative bargaining power of labor is reduced by the possibility of outsourcing or plant relocation, even when it does not actually occur.” Indeed, another study concluded that the threat of closing and moving factories to Mexico has been a tactic used by management to beat back unionization drives, and in bargaining with workers over working conditions and wages; more broadly, NAFTA-induced trade and investment liberalization, which has given management such greater leverage to threaten or implement job relocation, has helped to undermine job quality, suppress wages, and lower unionization rates.

**Limited Net Gains in Employment** NAFTA’s proponents argued that the accord would dramatically increase trade and investment and result in millions of new jobs in the three member states. In fact, three-way trade in goods
and services has exploded, more than doubling the three-way trade of $300 billion USD in 1993. All three NAFTA states did witness job growth of one kind or another during the 1990s. However, the claims for dramatic job growth were oversold, and there has arguably been a disappointingly small net gain in employment across the NAFTA states, especially when compared to growth in trade and productivity. Perhaps most troubling is the quality of the jobs created under NAFTA. Manufacturing jobs have been lost in the hundreds of thousands and “replaced” with lower-paid employment.

Under a narrow US government certification program, hundreds of thousands of manufacturing jobs linked to NAFTA in the US have been lost. In Mexico, the initial gain in export manufacturing jobs did little to improve the massive and disruptive job losses (estimated in 2004 at well over 1.5 million) in Mexico’s agricultural sector. More daunting for Mexico, and its struggling middle class, are the growing job losses in export-manufacturing zones. Varying estimates put such losses at hundreds of thousands, with many of the manufacturing jobs created under NAFTA having now been lost to cheaper production facilities in China, Vietnam, and Central America. Finally, Canada’s debatably more robust job creation figures under NAFTA are overshadowed by wage stagnation, and will be difficult to sustain if a rising Canadian dollar exacts a heavy toll on Canada’s manufacturing exporters. It is interesting to speculate how much evidence NAFTA promoters in Canada would have had to work with to tout the accord had the Canadian dollar remained above 80 cents to the US dollar during much of the 1990s.

Decoupling of Productivity from Wage Increases Over the past decade, productivity has grown in all three NAFTA states. While this trend is heralded by mainstream economists, the effects on workers are far less a cause for celebration. As worker output per hour has increased, wages across all three states have stagnated. This decoupling of productivity growth from wage increases has resulted in an unequal and unfair distribution of productivity gains. As the Carnegie report notes, “it is clear that increased economic integration has allowed employers to capture a greater share of productivity gains than had been the case in the three countries during the period when their
economies were less open to trade.\textsuperscript{55} Or more simply, as researchers for the Hemispheric Social Alliance have put it, wage stagnation versus productivity gains under NAFTA, means “that employers, not workers, reaped the benefits of higher output per hour.”\textsuperscript{56} It is thus not only worker bargaining power that has declined, but buying power as well. NAFTA is a regime that has altered those rules and institutions that determine the distribution of productivity gains in clear favour of capital and investors, with higher profits not translating into higher wages but instead to higher shareholder returns.

**Increased Income Inequality** Income inequality has increased across all three NAFTA states since NAFTA came into effect in 1994. Specifically, most gains in household income and wages have gone towards the top 20 percent.\textsuperscript{57} Additionally, all three countries have seen a growing wage gap between skilled and unskilled workers. The result has been that more lower- and middle-income people in all three states have experienced reduced buying power and growing debt burdens than a decade ago. Obviously, trade and increased economic integration cannot be considered the only factor involved in this growing income inequality. NAFTA has been but one factor in a broader process of neoliberal global restructuring. Yet, to the extent that evidence points to the agreement as having contributed to a suppression of wage gains, constrained unionization rates, and a reordering of the rules of the distribution of productivity gains, then the NAFTA regime has broadly contributed to growing instabilities and inequalities in power relations across North America.

**Conclusion: Reassessing Power Strategies** Increased incidents of cross-border civil society collaboration have helped to further mutual understanding and develop limited transnational solidarities against NAFTA’s economic fallout. These transnational innovations, and the diversification in the forms of organization and strategies of popular action adopted to counter the effects of neoliberal restructuring, have not slowed the exacerbation in asymmetries of wealth and power across the continent. This gap between tactical power strategies and the ongoing loss of political and economic power demands that political-economic analysis more closely focus on how
power is being accumulated and applied in the increasingly market-based societies of North America under NAFTA. What is especially critical is the need for a full re-evaluation of the long-term efficacy of contentious transnationalism.

A first step in this necessary strategic reassessment should include a realization that the state remains the most productive site for social and political contestation. There have been important examples of resistance at the national level that have been effective in challenging neoliberal initiatives, including the popular education campaign against the MAI in Canada and the mobilization against fast-track in the US. Reconsidering nation-state-level contention is hardly a novel idea, and as of late there has been a rethinking of the efficacy of the contentious transnationalism project. Obviously again, the state is not the sole stimulant or container of collective action. The forms and tactics of contentious transnationalism, which have unfolded across and between all three civil societies under NAFTA, represent significant advances in building cross-border solidarity against the neoliberal hegemonic political project. However, it must be recognized that, despite such international innovations for safeguarding capital as NAFTA’s Chapter 11, the state remains as the ultimate protector of the rights of capital. NAFTA is again a product of domestic political processes, and any further moves to deepen North American integration or advance the broader cause of global neoliberal restructuring, will continue to originate from the national level. A better recognition of the tight relationship that persists between the beneficiaries of NAFTA-style neoliberal economic restructuring and the nation-state must be coupled with a reconsideration of how to best reinvigorate national-level resistance and power strategies to challenge the primacy and durability of this relationship.

Again, this is not meant to disregard or stigmatize the experiments in transnational civil society cooperation, which have clearly evolved in the face of the sometimes seemingly ineffectual national repertoire of strikes, lobbying, and mass oppositional party politics during much of the 1990s. The developments in contentious transnationalism, both in regional actions against NAFTA and in the wider-scale activities of the global justice movement, represent some of the more significant illustrations of social conflict.
in which the Left has engaged in several decades. However, the mass base of popular sector forces — women, labour, environmental, church, student — remain national in character. NAFTA may be promoting a more streamlined marketplace across North America, but its institutions have not encouraged a pooling of sovereignty or accountability at the regional level.

In the absence of any genuine move towards European Union-style supranational authorities and regulatory bodies, the power asymmetries exacerbated by NAFTA will require national solutions. The challenges of declining labour rights, increasingly skewed income distribution, wage suppression, regressive tax policy, and environmental decline need to be met by reforms and policy changes at the national level. Again, while the Left need not confine its strategic thinking solely to the national level, in the absence of regional institutions of accountability, there remain too many practical and tactical problems associated with putting an abundance of faith in the politics of mass resistance across national borders. The key question is how to rekindle and build national strategies that are not competitive with, but are in fact compatible with, the continuation of limited projects of more focused contentious transnationalism.

Notes

1. This is a revised version of a talk first delivered at the conference “NAFTA and After: Looking Forward, Looking Back from a Decade of Continental Integration,” (Ottawa, Ontario: Carleton University, January 2004), and subsequently revised and presented at the Centre for Global Political Economy (Burnaby, British Columbia: Simon Fraser University, February 2004). I am grateful for the comments provided by Sidney Tarrow, and SPE reviewers Stephen McBride and Steve Patten.


A good place to review the rise to prominence of the Council of Canadians as a leading Left-activist group in Canada would be in the group’s magazine Canadian Perspectives, http://www.canadians.org.


21. The US Congress, in summer 2002, after framing it as a tool for fighting terrorism, renewed fast-track authority for US President Bush. The authority grants the President the power to negotiate international trade deals, which Congress can then approve or reject but not amend.

22. See Jeffrey Ayres, *Defying Conventional Wisdom*.


27. Including the Canadian Labour Congress, the AFL-CIO and the UNT or National Union of Workers in Mexico. See Jon Graubart, “Emerging Soft Law Channels.”


32. The trinational Echlin Workers Alliance became the Dana Workers Alliance after the Dana Corporation bought Echlin in 1998.


