

## **In Mexico, U.S. and Canada, Public Support for NAFTA Surprisingly Strong, Given each Country Sees Grass as Greener on the Other Side**

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More than a decade after the North American Free Trade Agreement entered into force, public opinion across North America shows moderate to strong support for NAFTA, even though the Mexican, U.S. and Canadian publics each feel that their trading partners have done better than their own countries under the agreement and that some of their fellow citizens are harmed by freer trade. The political challenges of trade agreements are evident in these mixed feelings.

NAFTA entered into force in 1994, creating one of the world's largest free trade blocs. An even more ambitious regional trade pact—the Free Trade Area of the Americas—has been on the hemispheric agenda since 1994 and was intended to be in place by 2005, but President Bush returned from the Summit of the Americas in Argentina in November 2005 with little movement toward an agreement. Opinion polling on NAFTA reveals the complex public reactions to liberalizing trade: majority support for freer trade but reservations about fairness between countries and about trade's impact on groups within their society.

Public opinion in Mexico, Canada and the United States tends to be positive toward NAFTA and the prospect of widening free trade across the hemisphere. A survey conducted in July 2004 by CIDE and COMEXI in Mexico found that 64 percent of the Mexican public favored NAFTA, and 62 percent also supported a possible Free Trade Agreement of the Americas stretching from Canada to Chile.

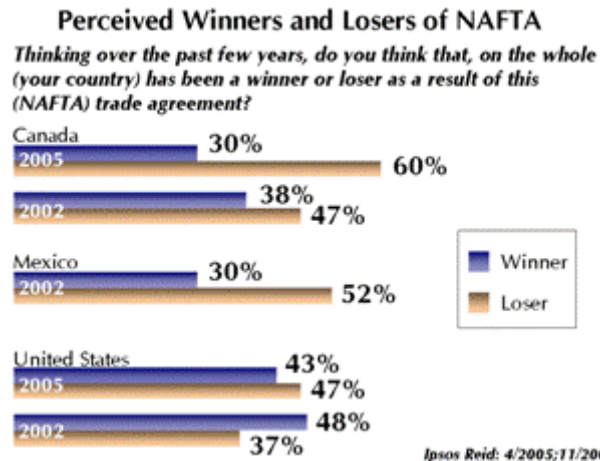
Canadian opinion, reported in a June 2003 Ipsos Reid survey, found that a clear majority (70%) of Canadians supported NAFTA, while only 26 percent were opposed.

The Program on International Policy Attitudes reported in a January 2004 poll that a plurality of 47 percent of Americans felt that NAFTA has been good for the United States, while 39 percent felt that it had been bad. A Chicago Council on Foreign Relations (CCFR) poll carried out in July 2004 found that 59 percent of Americans favored the United States entering a prospective FTAA.

The notion of rolling back freer trade is rejected by majorities across North America. A poll on NAFTA conducted among the public in all three countries by Ipsos Reid in 2002 explored preferences for “making trade closer” between the three countries, keeping “trade between the countries and their economies the way they are today” or “reduce trade.” The public in all three countries favored increasing trade or keeping it the same (75% in Canada, 73% in the United States and 58 percent in Mexico wanted to increase trade or keep it the same). Mexico showed the most division on this issue, with 33 percent supporting reducing trade, while only 19 percent in Canada and 19 percent in the United States desired reducing trade.

Thus a variety of polls conducted after 7-10 years of experience with NAFTA indicate that public opinion in all three countries generally supports the pact and increasing trade in general.

### Publics Tend to See Their Country as a Relative Loser in NAFTA



Despite their support for NAFTA, the publics in Canada and Mexico have tended to see their own country as the loser in NAFTA, and to see the United States, their largest trading partner, as the winner, while the U.S. public has viewed Mexico as the winner and has been narrowly divided about whether the United States is a winner or loser in NAFTA.

The feeling among Canadians that they were a loser under NAFTA increased over time. In 2002, 47 percent of Canadians thought their country had been a loser in NAFTA and 38 percent thought it was a winner. By April 2005, 60 percent of Canadians felt that their country has been the loser in NAFTA, and only 30 percent felt that Canada has been the winner (Ipsos Reid, 2002, 2005).

In a parallel poll in Mexico in 2002, Ipsos Reid found that 52 percent of the Mexican public thought that Mexico was a loser in NAFTA, and only 30 percent saw Mexico as a winner.

Coordinated surveys in July 2004 by CIDE and COMEXI in Mexico and by CCFR in the United States replicate this pattern of seeing trade partners doing better in such agreements. Among the public in Mexico, 70 percent saw the United States benefiting most from NAFTA, rather than Mexico (8%) or Canada (6%). When asked about NAFTA's impact on a country's economy, 78 percent of Mexicans said it was good and 10 percent bad for the U.S. economy, while only 44 percent saw NAFTA as good for Mexico's economy and 39 percent saw it as bad.

Americans saw the relative benefits quite differently. American views about being a NAFTA winner were more divided. In the 2005 Ipsos Reid poll, a 47 percent plurality of Americans saw the United States as a loser and 43 percent as a winner. In a similar 2002 poll, the plurality was reversed—48 percent saw the United States as a NAFTA winner and 37 percent a loser. When CCFR surveyed the U.S. public in July 2004 about the impact of NAFTA, fully 78 percent of Americans saw the agreement as good for the Mexican economy; only 12 percent saw it as bad. But in terms of the U.S. economy, Americans seemed divided about the benefits; only 42 percent saw NAFTA as good, and 43 percent saw it as bad for the U.S. economy.

Generally, the grass seems greener across the borders of free trade.

### **Benefits of Trade Are Recognized, But Risks Seen for Vulnerable Citizens**

Polling by CIDE/COMEXI and by CCFR in 2004, roughly a decade after the hard bargaining that produced NAFTA, shows that both Mexicans and Americans feel that NAFTA has provided economic benefits to their societies, but at the same time feel it put some of their fellow citizens at risk.

A narrow plurality of Mexicans said that NAFTA was good for the Mexican economy (good 44%, bad 39%) and for the standard of living of people like them (good 41%, bad 35%). Larger numbers felt it was good for job creation in Mexico (49% vs. 36% bad), and good for Mexican businesses (50% vs. 35% bad). However, a clear plurality felt that NAFTA was bad for the agrarian sector in Mexico (49% bad vs. 38% good).

In the United States, Americans were divided on whether NAFTA benefited the U.S. economy (42% good, 43% bad), but they tended to feel that NAFTA was good for consumers like them (55% good, 30% bad), good (51% vs. 33% bad) for their own standard of living, and good (50% vs. 36% bad) for American companies. However, the American public felt that NAFTA was bad for creating jobs in the United States (56%) and for job security for American workers (60%). Thus both Mexicans and Americans seem to subscribe to the overall benefits of free trade as represented by NAFTA, but at the same time feel concern about members of their society put at risk by freer trade—in the case of Mexico, people in the countryside, and in the United States, workers.

Polling evidence shows general public support for NAFTA in Mexico, Canada and the United States, and at the Summit of the Americas in November 2005 Presidents Fox and Bush and Premier Martin all favored the more expansive FTAA. Opponents of trade agreements, however, may frame the issue in terms of winners and losers, and public opinion seems to resonate with the view that a trading partner will have the better deal. Public opinion is also attuned to the problem, often noted by trade economists, that while there may be general benefits of freer trade, specific groups in a society can often be hurt.