Globalization, Globalizacion, Globalisation: Public Opinion and NAFTA

Jennifer Merolla
Laura B. Stephenson
Carole J. Wilson
Elizabeth J. Zechmeister

Follow this and additional works at: https://scholar.smu.edu/lbra

Recommended Citation

This Article is brought to you for free and open access by the Law Journals at SMU Scholar. It has been accepted for inclusion in Law and Business Review of the Americas by an authorized administrator of SMU Scholar. For more information, please visit http://digitalrepository.smu.edu.
GLOBALIZATION, GLOBALIZACIÓN, GLOBALISATION: PUBLIC OPINION AND NAFTA

Jennifer Merolla,* Laura B. Stephenson, Carole J. Wilson, Elizabeth J. Zechmeister

I. INTRODUCTION

STANDARD economic theories predict winners and losers from economic integration and assume that support for integration will develop along the lines of economic interests. These theories do not consider that the persuasive effects of targeted information can also shape attitudes. This paper examines public opinion over the case of the North American Free Trade Agreement (NAFTA) in order to address the three major questions. First, how well do standard economic theories predict opinions toward NAFTA in each of the three countries? Second, how did the rhetorical debate over NAFTA shape opinions in each case? And, finally, are rhetoric and cues capable of trumping economic interests, that is, persuading individuals to adopt policy stances that conflict with their objective economic situation? We find that non-economic interests can have a substantial influence on opinions toward NAFTA, even to the point of canceling out the effects of economic interests, and that the significance of these factors is driven by the country-specific nature of the information context.

The North American Free Trade Agreement (NAFTA) was officially implemented on January 1, 1994. After more than ten years of experience with the agreement, scholars, politicians, and publics continue to speculate about the extent to which the integration of North America will mirror the European Project. As the experience of the European Union has shown, regional integration is a dynamic process. While NAFTA’s initial purpose was to open economic markets for goods and services, a more cooperative relationship between these three countries has developed, and there have been efforts to deepen and widen the scope of regional integration. One example of this has been the dialogue initiated by Vicente Fox with the United States to liberalize labor markets in addi-

* Jennifer L. Merolla, Assistant Professor, Department of Politics & Policy, Claremont Graduate University; Laura B. Stephenson, Assistant Professor, Department of Political Science, University of Western Ontario; Carole J. Wilson, Assistant Professor, School of Social Sciences, University of Texas at Dallas; Elizabeth J. Zechmeister, Assistant Professor, Department of Political Science, UC-Davis.
tion to trade. While labor market integration and political integration are goals that may never be realized, NAFTA could lead to a closer political and economic relationship between the countries of North America.

The scope of future integration, and indeed the maintenance of the current level of integration, depends, in part, on the level of public support for such a project in the three democratic Member States. This paper looks at the sources of public support for North American integration in Mexico, Canada, and the United States and discusses the implications of these sources for the future of North American integration. Specifically, we argue that attitudes toward NAFTA are shaped by the distribution of economic gains and losses from the agreement, but that political rhetoric and cues are capable of trumping economic interests and persuading individuals to adopt policy stances that conflict with their objective economic situation.

This paper begins by developing economic and political context models of public opinion toward NAFTA in Canada, Mexico, and the United States. We then test these models and discuss the implications of our findings for public support toward integration in North America.

II. ECONOMIC THEORIES AND PUBLIC OPINION

Standard economic theories predict winners and losers from economic integration and assume that support for and opposition to these policies will develop along the lines of economic interests. Trade theories provide several predictions about what effects economic liberalization should have on the members of different countries. In particular, they identify which groups are likely to experience dislocations and insecurities. In the past, several works by the authors tested some of the hypotheses suggested by these theories with respect to individual-level public opinion over liberalization and welfare state expansion (Aldrich et al. 1999a, 1999b; Kramer, Stephenson and Lange 2000; Aldrich, Merolla, Stephenson and Zechmeister 2001; Merolla and Stephenson 2001). The general finding from these studies is that individuals' objective and subjective economic insecurities, measured in a variety of ways, are clearly linked to their preferences over government provision of social welfare, but less so to their preferences over general trade liberalization. In this section, we describe the basic economic hypotheses that we test in this paper concerning possible determinants of public opinion about NAFTA in Canada, Mexico, and the United States.

NAFTA was designed to lower barriers to trade in Mexico, the United States, and Canada. The anticipated effect of the agreement was and is that all countries involved benefit from the increased exchange of goods. New markets for goods may result in increased industry as well as improved access to cheaper goods and services. While the net economic impact of NAFTA to all countries may be positive, models of international trade predict that while certain segments of the economy in each country will benefit from the agreement, others will lose.
Several models of international trade identify winners and losers within different segments of society. The Hecksher-Ohlin-Samuelson (H-O-S) model of trade focuses on factors of production, typically land, labor, and capital (Atkinson 1982). Based on assumptions about factor mobility and protective barriers to trade, the H-O-S model deduces that scarce factors, relative to trading partners, will suffer declining demand if trade barriers are reduced. In contrast, abundant factors, relative to trading partners, will benefit from trade liberalization. For example, skilled labor is relatively abundant in Canada and the United States compared to Mexico, and vice versa. Thus, the economies of Canada and the United States have a comparative advantage in the supply of highly-skilled labor. However, those with fewer skills in these countries will be disadvantaged. Unskilled and semi-skilled workers in the United States and Canada will see a decline in demand for their services, since goods that they once produced are likely to be imported from Mexico. In contrast, low-skilled labor in Mexico should benefit by attracting industries focused on labor-intensive production, while more highly-skilled individuals will find themselves facing increased competition. Thus, the H-O-S model gives us the following hypothesis:

**H1:** Low-skilled workers in the United States and Canada should oppose NAFTA while high-skilled workers should support it. In contrast, high-skilled workers in Mexico should oppose NAFTA, while low-skilled workers should support it.

An alternative trade theory, Ricardo-Viner (R-V), focuses on sectoral effects rather than factors. Sectors are economic groupings that contain similar or closely related industries such as the information technology sector, agricultural sector, and the finance sector. A sector may be advantaged or disadvantaged because of the type and abundance of resources available, including land, technology, and labor. The R-V model predicts that all individuals within a certain sector will experience the same positive or negative effects, regardless of skill level. This argument is based on the assumption that there are costs in redeploying resources that prevent individuals from freely shifting across sectors and taking advantage of market changes. NAFTA is believed to have had harmful effects on a variety of sectors across North America. For example, in the United States, the textile and automobile industries faced serious competition from Mexico. In all three countries, farmers were faced with a range of adjustment costs. The Ricardo-Viner model provides us with our second hypothesis:

**H2:** Sectors harmed by NAFTA should oppose the agreement. Support for NAFTA should come from sectors that benefit.

---

1. Iversen and Cusack (2000) find that changes to sectoral components of an economy best explain trends toward welfare state expansion. In other words, dislocations and insecurities were felt most strongly by individuals within certain sectors.
A third model, the human capital model, anticipates that individuals with high skill levels are better able to adjust to changing economic circumstances, such as those brought about by new trade policies, because their skills allow them to move from one job to another (Becker 1993). As a result, this segment of the population will benefit from the trade liberalizing policies of NAFTA because they are in a position to take advantage of new opportunities. Highly skilled workers, in general, are also more secure in their jobs because their marginal productivity is greater than that of unskilled workers. This model contrasts somewhat with the H-O-S model, at least for developing countries, because it argues that more highly skilled individuals in these countries, even though they are less abundant, should welcome free trade. In contrast, in anticipation of adjustment costs they might not be able to meet, low-skilled workers in all three countries should oppose liberalization. Consequently, our third economic hypothesis is the following:

\[ H3: \text{In all three countries, low-skilled workers should oppose NAFTA, while high-skilled workers should support it.} \]

Our final economic hypothesis is drawn from all of these theories and from work by political economists on the subject of globalization. This hypothesis states that subjective, as well as objective, economic insecurity matters. We argue that in advanced industrial countries, economic insecurity should be negatively associated with preferences for free trade. In the case of NAFTA, while the United States and Canada were clearly concerned about losing jobs, Mexico stood to gain jobs with the movement of labor-intensive industries south of the U.S. border and with the incursion of foreign-owned mega-stores in urban areas. Thus, our hypothesis for Mexico, and for any developing country in a similar situation, is that economically insecure individuals should favor NAFTA. The prospect for gains under NAFTA should convince most of these individuals to support the agreement. These ideas are tested with our fourth hypothesis:

\[ H4: \text{Economically insecure individuals in the United States and Canada should oppose NAFTA, while those same individuals in Mexico should support it.} \]

Economic trade theories predict winners and losers, but they tend not to take into account a variety of confounding factors. In particular, two are important to note. First, economic liberalization involves adjustment costs for some parts of every economy. Even if there are long-term gains in store for those individuals, they may oppose neo-liberal policies myopically. Second, economic trade theories do not consider the influence of targeted information on attitudes. The debate over NAFTA was replete with charged rhetoric in the United States and Canada, while Mexico was relatively silent. Kollman (1998) argues that interest groups in the United States specifically appealed to citizens ("outside lobbying") to arouse popularity for their views on NAFTA and to create a critical mass with which to influence legislators. These different information contexts must
have had a significant impact on the development of opinions over the regional trade agreement. In the following section, we describe the different contexts and draw up hypotheses regarding the influence of cues, affinities, and stances on opinions over NAFTA.

III. INFORMATION EFFECTS AND PUBLIC OPINION

The information context that surrounds a policy decision can exert a powerful influence on individuals' opinions over that policy (e.g., Zaller 1992; Kuklinski and Hurley 1994; Kuklinski, Quirk, Jerit and Rich 2001). At least two studies have used experimental designs to examine the persuasive ability of targeted information about NAFTA, and found positive effects (Cobb and Kuklinski 1997; Aldrich, Merolla, Stephenson and Zechmeister 2001). NAFTA provides a rich case in which to study the effects of information contexts because of significant and interesting variance across the three countries. In this section, we briefly describe the context in which NAFTA developed in each country with respect to public debate and rhetoric. We use these descriptions to create a set of hypotheses concerning the non-economic determinants of public opinion toward NAFTA across these three countries.

A. MEXICO

The information context in Mexico stands in sharp contrast to that of Canada and the United States. While Mexico seemingly had the largest short-term adjustment costs to face, public opposition to the agreement was minimal. NAFTA was passed as a result of a tight coalition between the government and big business that left the rest of Mexico in the dark. In order to co-opt this crucial group, big business was allowed access to the highest levels of negotiations, even to the point of sitting in a neighboring hotel room during the tri-lateral conferences so that government officials could slip out for quick consultations (Thacker 1999).

While the leftist opposition party, the PRD, and its leader, Cárdenas, initially spoke out against the proposed agreement, they soon softened their stance. The Zapatista uprising, timed to coincide with the signing of NAFTA, also brought some attention to the possible drawbacks of NAFTA. In general, though, there was not much organized opposition in Mexico, particularly following the agreement’s passage.

In an information-scarce environment, such as that which characterized Mexico in this case, individuals must rely on actual experiences and cues in order to form their opinions. As Wilson (2001) argues, the principal cue-giver in Mexico is the president. The domineering and centralized role of the president has traditionally placed him at the forefront of Mexican politics. The president’s message on NAFTA was clear. Both Salinas and then Zedillo pursued free trade with vigor. Salinas launched a media campaign to promote the benefits of NAFTA for Mexico, and complemented it with a social investment fund program that distributed millions of dollars in assistance to the rural communities most likely to be hit hard.
by the agreement. Wilson (2001) shows that, indeed, those more likely to
accept cues from the president (members of the PRI, those who liked the
president) were more likely to be in favor of NAFTA.

Unions were another likely source of cues and information in the Mexi-
can context. Under the PRI, unions were associated with big business
and government, both of which strongly supported NAFTA. NAFTA
was also predicted to benefit the manufacturing sector (Wilcox Young
1995). There was also likely to be some benefit, particularly over time, to
consumers (Lustig 1992; Baker 2003). Higher wages were also likely to
benefit urban workers. While unions did not conduct large campaigns
about NAFTA, individuals tied into their information networks, and
whose jobs may depend on toeing the union line, are likely to have re-
ceived a pro-NAFTA cue. In addition, those living in urban areas and/or
working in the manufacturing sector are likely to have had material in-
centives to accept pro-NAFTA cues and information.

Thus, the low-information context in Mexico and the domineering role
of the government and big business in the passage of NAFTA give us the
following hypotheses:

H5: In Mexico, those more likely to receive cues from the president
will support NAFTA, while those who resist such cues will oppose it.

H6: In Mexico, union members will support NAFTA.2

B. The United States

In the United States, the debate over NAFTA was highly charged. The
anti-NAFTA coalition included the Citizen-Trade Campaign, composed
of 60 organizations ranging from labor unions, environmental and advo-
cacy groups, some agricultural groups, Jesse Jackson and some religious
and civic groups, the AFL-CIO, and Ross Perot (Avery 1998). The pro-
NAFTA coalition was slower in organizing than the opponents to the
agreement. For this reason, and because people tend to pay more atten-
tion to negative, threatening messages than positive ones (Cobb and Kuk-
links 1997), the anti-NAFTA coalition's message resonated more loudly
and more frequently in public debate.

The U.S. debate over NAFTA focused on three central issues. The first
was whether NAFTA would create or destroy jobs. Ross Perot's com-
ments on this subject from the third presidential debate of 1992 are now
infamous:

Let's go to the center of the bull's eye—the core problem. And be-
lieve me, everybody on the factory floor all over the country knows
it. You implement NAFTA—the Mexican trade agreement where
they pay people $1 an hour, have no health care, no retirement, no
pollution control, etc., etc., etc.—and you are going to hear a giant

---

2. Primarily due to data limitations, we do not test hypotheses about the manufactur-
ing sector nor urban residence in this paper.
sucking sound of jobs being pulled out of this country (cited in Mayer 1998: 229).

Consistent with Perot's prediction, the AFL-CIO and the Economic Policy Institute (EPI) claim that NAFTA has resulted in major job loss in the U.S. According to a report by the EPI, between 1994 and 2000, the growth in the net U.S. export deficit with Mexico and Canada has led to a loss of 766,030 actual and potential U.S. jobs, hitting California, Florida, Georgia, Illinois, Indiana, Michigan, New York, North Carolina, Pennsylvania, Tennessee, and Texas the hardest, with more than 20,000 jobs lost in each state (Scott, 2001). By 2002, the number of jobs lost reached 879,280 (Scott, 2003). The EPI also reports an increase in wage inequality, due to displaced workers obtaining new jobs with lower wages, a new supply of workers in the service sector that has decreased wages in that industry, and threats by companies to relocate their plants to Mexico in bargaining disputes (Brofenbrenner 1997). While there were, and still are, conflicting reports about the effects of NAFTA in the United States, negative statistics about job loss were constantly invoked by NAFTA opponents in their statements.

A second major issue was the environment. The concern was that, because Mexico was lax in its enforcement of environmental laws, NAFTA would lead to further deterioration along the border. This issue was also tied to concerns over jobs. Many believed Mexico's less strict environmental laws would entice U.S. manufacturers to move south of the border to save money on environmental cleanup. It should be noted, however, that after 1991, many environmental groups switched sides after Bush won their support through side deals in the fast track fight. Among these groups were such influential organizations as the National Wildlife Federation, the Audubon Society, the Natural Resources Defense Council, the Environmental Defense Fund, and the Nature Conservancy to the White House (Mayer 1998).

The third issue was concern over flows of immigrants entering the United States. Many economists and those in favor of NAFTA argued that the agreement would have a positive effect on the Mexican economy, and thus decrease the number of immigrants coming to the United States. However, those opposed to NAFTA argued vociferously that lowering immigration requirements would result in an influx of immigrants to the country. Pat Buchanan, Ross Perot, and others frequently warned about likely increases in the number of illegal immigrants coming from Mexico.

Related to this issue, we suspect that nationalism will be a key determinant of attitudes toward NAFTA. Nationalist and xenophobic undertones marked much of the extreme, conservative anti-NAFTA rhetoric, particularly those statements that focused on job loss and immigration. While the debate over NAFTA touched on other issues, such as drug-trafficking, the rhetoric was mainly comprised of these four issues.

In sum, because the information environment was so rich, individuals in the United States should rely less on indirect cues and more on their
feelings about jobs, the environment, immigrants, and nationalism in order to construct their opinion over NAFTA. Our precise hypotheses are as follows:

*H7:* In the United States, individual stances on policies related to job provision and protection will influence attitudes toward NAFTA.

*H8:* In the United States, individuals who are more in favor of the environment will be more opposed to NAFTA, particularly in the early days of the negotiations. In later years, this may reverse, due to a change in the stances of important environmental groups.

*H9:* In the United States, individuals who are concerned about immigrants, or who have negative opinions about immigrants, will be more opposed to NAFTA.

*H10:* In the United States, nationalism will be related to opposition to NAFTA.

### C. Canada

In Canada, public opinion about NAFTA was largely shaped by the debate that had surrounded the Canada-United States Free Trade Agreement (CUFTA) just five years earlier. Prior to the implementation of CUFTA, most Canadians were quite positive about the idea of free trade with the U.S. Clarke et al. (1996) show that between 1953 and 1988, more Canadians believed that Canada would be better off if U.S. goods were allowed in the country without tariff or customs charges, and vice versa for Canadian goods in the U.S. Gaston and Trefler (1997) find that free trade itself can only account for 9-14% of the 390,600 jobs lost between 1989 and 1992. They point, instead, to the recession, the Bank of Canada's fight against inflation with high interest rates, deindustrialization, deteriorating labor productivity, and rising labor costs. The coincident recession in the United States also affected the performance of the economy, as exports and imports decreased during the first years of trade.

When NAFTA was negotiated, public debate was much less fierce, as the agreement was essentially an extension of CUFTA to Mexico. While their negative views of free trade can be traced to the poor economic conditions of the early 1990s as much as to experience with CUFTA, opinions about free trade were strongly influenced by what people perceived to be the effects of CUFTA. On average, Canadians felt that the...
United States had benefited more from CUFTA. Specifically, rising unemployment and job losses due to plant closures and relocations shaped opinions about free trade with the United States. Campbell (2001) reinterprets Dungan and Murphy's (1999) data to show that there was a net loss of 276,000 jobs in Canada between 1989 and 1997, not to mention the amount of dislocation caused by restructuring.

Two main issues surrounded NAFTA in Canada. First, many Canadians were concerned with the social effects of NAFTA. There were fears that lower wages and lower environmental standards in Mexico and the United States would lure companies and jobs away from Canada. A survey of small manufacturing firms in 1990-91 revealed that 71.4% of the Canadian companies surveyed believed NAFTA would cause job losses in Canada (del Castillo 1995). Concerns about more job losses and restructuring were closely tied to fears that the government would be limited in its ability to structure welfare policy to help affected citizens (Jackson 1999). One of the top voiced concerns about NAFTA was the fate of social programs, as the government would be faced with either lowering taxes to attract investment and business or watching the economy dwindle. Consequently, the government restructured its social programs, resulting in the number of unemployed persons that collected benefits dropping from 75 percent in 1990 to 36 percent in 2000. As a result, protectionist feelings about the welfare state were and are linked to opposition to NAFTA.

Second, Canadians were concerned that the agreement would be structured so as to provide maximum benefit to the United States. Jackson (1999:94) reports that a major line of debate centered on whether the agreement would do what it was designed to do — “secure access to the U.S. market and protection for Canadian exports against recurrent U.S. protectionism.” These issues were related to feelings of Canadian pride and independence. With the influx of goods from other countries, many feared that Canadian identity would be compromised. Peter C. Newman of Maclean's Magazine proclaimed in 1993,

If under the original Canada-U.S. Free Trade Agreement (FTA) we were limited to the influence of a mouse scratching the imperious hide of an elephant, under NAFTA we are about to assume the clout of a flea. The reason for this reduced status — and the comparison may not hold because determined fleas make even big guys squirm — is that the Mexican deal is only the first step in a set of alliances being planned by Washington to transform the hemisphere into its own giant day care center, with the kid-nations all dancing for the Yankee dollar (Newman 1993:29).

Because of the heavy emphasis in Canada on fears of job losses, reductions in government provisions and welfare, and concerns about a loss of autonomy, we draw the following hypotheses for the Canadian case:

H11: In Canada, individual stances on policies related to job provision and protection will influence their attitudes toward NAFTA.

H12: In Canada, individuals who are more in favor of the welfare state will be more opposed to NAFTA.

H13: In Canada, nationalism will be related to opposition to NAFTA.

IV. MODELS AND VARIABLES

One of the difficulties in testing hypotheses across two or more countries lies in the difficulty of finding comparable survey data. To test our hypotheses, we use national surveys from each country. For the United States and Mexico, we use the World Values Survey data for 1995. For Canada, we use Canadian National Election Survey data from 1997. The inconsistency in the timing of the surveys is regrettable. We think, however, that it poses a minimal number of problems. All three surveys were administered well after the implementation of NAFTA. It is possible that the later timing in Canada means that more effects were realized, or that the salience of the issues had died down more than in the other two countries, and so some caution is appropriate when comparing the results across the countries. More important, perhaps, is that while the Mexico and United States questions ask about opinions toward NAFTA, the CNES surveys asks about trade with the United States. However, because Canadians associate NAFTA with trade with the United States and vice versa, we do not think this is a significant problem. Thus, our dependent variable in the case of Mexico and the United States asks, on a one to four scale, how confident an individual is in NAFTA. In the case of Canada, it asks, on the same scale, whether free trade with the United States has been good for the Canadian economy. We take both these questions as proxies for support or opposition to the policies of NAFTA.

The key independent variables fall into one of two categories: economic factors, and cues, affinities, and stances. First, to test the H-O-S model of factor endowments and the human capital model, we include measures of education and income. Education is often employed to capture skill level, while income is also sometimes used to capture skill, particularly in association with the human capital model. We also include an industrial/manual worker dummy variable to capture low-skilled or blue-collar workers. To test the R-V model, we include a dummy variable for

---

6. The "hub and spoke" model of trade predicts that in a trade agreement such as NAFTA, the primary beneficiary will be the middle partner, the "hub"; in this case, the United States. Canada-Mexico trade was not expected to be substantially affected by NAFTA, as it was a very small volume to begin with and the transportation difficulties of crossing the United States made trading with the other "spoke" country much less attractive. Wonnacott (1996:65) argues that "[o]ne reason why FTAs in an H&S [hub and spoke] configuration are worse than is often recognized is that each spoke thinks it is participating in regional trade liberalization—and it is, but only with the hub.” Thus, the most significant part of NAFTA for Canadians was not freer trade with Mexico, but changes to trading relations with the United States.
workers in the agricultural sector. Because farmers in all countries faced significant adjustment costs, at least in the short-term, we hypothesize that farmers will be opposed to NAFTA. Ideally, we would like to have included more sectors, but we were unable to do so due to data limitations. Finally, to test the impact of economic insecurity in general, we include a variable that captures concerns about job security.\textsuperscript{7} In addition, we include a variable measuring an individual’s reported level of financial satisfaction. We also include a variable for unemployment, although we acknowledge that it is not necessarily the case that all unemployed persons are economically insecure.

The second category of variables captures effects that are related to the information context. The case of cues posed an interesting challenge. Cues are verbal or non-verbal messages that convey information. Reception of cues depends on several factors that relate to the cue and the cue-giver. Often it is hypothesized that people will respond to cues from individuals of whom they approve and toward whom they have warm feelings. Wilson (2001), for example, shows that Mexicans who have more positive evaluations of the president were more likely to support NAFTA. Unfortunately, the World Values survey does not include similar questions to those used in that model, so we cannot replicate this analysis. However, another reason individuals accept cues may be more psychological, having to do with personality types and, perhaps, culture. Individuals who are more obedient, or who place a higher value on respect for authority, should be more likely to accept the executive’s policy positions, particularly in a country where one individual or institution is considered the supreme authority. Mexico, particularly pre-2000, is exactly such a country. Therefore, to capture the tendency for individuals to accept cues from the president, we use a variable that asks whether or not respect for authority is an important value. The variable is coded so that higher values indicate a greater preference for respect for authority as a social value. Our variable relating to union membership, and links to that information network, is more straightforward. It is a simple dummy variable indicating whether or not the respondent is a member of a union.

For both the United States and Canada cases, concern over job losses was very important. In addition, in Canada, there was a related, strongly voiced concern about the welfare state and its possible dismantlement in light of NAFTA. Unfortunately, we lack questions about beliefs about what will happen or had happened to jobs under NAFTA. Instead, we

\textsuperscript{7} The Canadian dataset presented a slight problem due to the fact that unemployed individuals were not asked the job security question. Rather than drop these respondents or this variable, we imputed values for these individuals by cross-tabbing the unemployed variable with a prospective individual assessment variable. The job security variable runs from 0 to 4, with 4 being most worried. We coded those who were unemployed and gave a negative future projection as 3, those who were unemployed and said things were likely to continue the same as 2, and those who were unemployed and gave a positive projection as 1. If we run the model without either of these variables (unemployed or job security) the other results remain the same.
include a question that measures whether an individual believes the government should provide a decent standard of living to all or should allow individuals to get ahead on their own. The variable is measured on a ten-point scale in Mexico and the United States, is a dummy variable in Canada, and is coded such that higher values indicate more support for government responsibility. We believe this variable is a good measure of a defensive posture toward the welfare state and therefore is most likely to be significant in Canada.

To capture feelings toward the environment, we use a variable that asks individuals whether protecting the environment is important, even if it risks jobs. The variable is coded so that a higher value indicates a greater preference for protecting the environment. Because immigration was a significant issue in the United States, we include a question that asks whether there should be restrictions on immigrants working in Mexico and the United States, and a question that asks about increasing or decreasing the number of immigrants admitted into Canada. The variable is coded so that higher values indicate greater preference for restrictions, in the case of Mexico and the United States. The coding is the reverse for the case of Canada.

We also include a nationalism question that asks how much pride, in the case of Mexico and the United States, or how warmly, in Canada, the individual feels toward his or her country. It is coded so that higher values indicate higher levels of nationalism. In some ways, this variable is related to concern over jobs in the United States and Canada, as the rhetoric always referred to jobs moving to another country. We believe the immigration question likely also taps into nationalism, particularly of a xenophobic nature. Finally, we include regional dummy variables for each country in order to control for the different or perceived impacts of NAFTA in each region.

We test the model using OLS regression. Because the dependent variable only contains four discrete outcomes, we certainly violate the assumption that the dependent variable is continuous and unbounded. To test whether this creates problems for the analysis, we also ran the model for each country using ordered probit analysis. The results were nearly identical. Because of the relative ease of interpreting OLS coefficients as opposed to ordered probit coefficients, we present the results of the OLS analysis here.

Before turning to our results, we should note that the survey data we use was compiled a few years after the NAFTA debate. We chose this timing because we wanted to test our economic hypotheses at a point when real effects could have been felt. One might be concerned that this could impact the salience and importance of the cues discussed above. But as our results will show, the non-economic interests remain significant influences on NAFTA opinions. There are at least two possible explanations for this. First, trade as a policy issue did not cease to be important after NAFTA was signed. The fast-track debates in the United
States, for example, kept the issue fresh in people's minds. Second, NAFTA scheduled tariff reductions to take place over several years. As each industry felt the impact of lower tariffs, negative consequences of the agreement were publicized by the media and thus remained significant.

V. RESULTS

Table 1 (infra) shows the results of the OLS regressions on the models for each country. Turning first to the economic variables, we find some confirmation for each of our economic hypotheses. Education is significant only in the case of the United States, and in the expected direction. In Canada, income is significant, and also in the correct direction. These results indicate that in both developed countries, more skilled individuals support NAFTA, while less skilled individuals oppose the agreement. In the United States, the industrial/manual worker variable is also significant and negative, providing additional support for these hypotheses. In Mexico, none of these variables are significant. While Canada and the United States provide evidence for both the H-O-S and the human capital models, the models are ineffectual in predicting support for NAFTA in Mexico.

In all three countries, we find support for the R-V model. In each case, the dummy variable indicating membership in the agricultural sector is significant. In Mexico, however, it should be noted that we distinguished between farmers and agricultural workers and the latter was not significant.

Finally, as expected, we find some interesting cross-national differences in our economic insecurity variables. Earlier we had hypothesized that the job security variable would be positive for Mexico and negative for the United States and Canada. Our results confirm this hypothesis, though the variable is in the correct direction but not quite significant for the United States. Interestingly, Mexico differs from the other two countries only on this one indicator of economic insecurity. With respect to financial satisfaction and unemployment, although not significant, the signs on the coefficients are in the same direction in Mexico as they were predicted to be in the other two countries. In other words, in Mexico, unemployed individuals and those who are less satisfied with their economic situation are less in favor of the agreement, but those who are insecure support NAFTA. We believe this is because of the increased job prospects offered by NAFTA in Mexico. Supporting this hypothesis, a series of focus groups conducted by our research group in Mexico found that people frequently credited NAFTA for bringing better paying and higher quality jobs to Mexico.

Turning to the non-economic variables, we find clear support for nearly all of our hypotheses. As can be seen from the table, in Mexico, it is one’s access to and tendency to receive cues that are the key non-economic determinants of public opinion in our model, in addition to feel-
ings toward immigrants. With respect to the former variables, we find that union members are more supportive of NAFTA. As we said before, because of the corporatist nature of the Mexican state and the consequent close relationship between unions, big business and the state, we expected to find that union members would express preferences in accord with these two domineering entities. We also find significant support for our hypothesis that those who value respect for authority received and accepted the cues offered by the supreme authority in the nation, the president: those who report valuing respect for authority are more supportive of NAFTA than those who do not.

In Mexico, it is interesting that the immigration variable is significant because, clearly, Mexicans did not fear a large influx of Canadians or U.S. citizens looking for jobs as a result of NAFTA. However, they did resent the relocation of foreign-owned mega-businesses, such as Wal-mart, to Mexico. This attitude was frequently expressed in the focus groups conducted by our research group, referred to above. In addition, this variable likely captures a type of nationalism. Morris (1999) argues that nationalism in Mexico has two components, one that reflects a basic pride in Mexico and the other that contains elements of xenophobia or dislike of other countries, particularly the United States. It is possible that our immigrant variable taps into this latter type of nationalism and is significant in Mexico for that reason.

Our hypotheses are also well supported for the case of the United States. The immigration variable, as well as the nationalism variable, is significant. As we noted, rhetoric in the United States dealt heavily with the topic of immigrants and was colored by nationalist and often xenophobic undertones. Interestingly, the sign on the coefficient for the environment variable is positive. This result reflects the fact that the major environmental groups, while initially opposed, had swung their support behind NAFTA in the early 1990s, and further suggests that the majority of the public takes cues from these mainstream and centrist environmental groups rather than more extreme organizations.

In alternative models, we used the American NES election studies from 1992, 1996, and 2000 to determine influences on general trade preferences. We found, in line with our WV data results, that those who sympathized with environmentalists were more likely to favor trade in 1996 and 2000. In 1992, however, when the rhetoric was strongest, and the major environmental groups had just recently changed sides of the debate, pro-environmentalists were still opposed to free trade. Union membership is not a significant predictor of support for NAFTA in the United

8. Mexico has received a large number of immigrants from Central America, particularly from Guatemala. These immigrants are typically unskilled workers seeking jobs in relatively advantaged Mexico. Therefore, the immigration variable may be tapping xenophobia, or real economic threats from an influx of unskilled workers that would compete with Mexican labor. While perhaps not directly related to NAFTA, these immigrants may be perceived to be part of the macro economic shifts related to NAFTA.
States in our data. Our alternative runs with the NES data found the same result, but showed that feelings toward unions were an important influence on trade opinions. It appears, then, that the rhetoric publicized by unions reached a larger audience than only union members.

In Canada, once again, our information-context hypotheses receive a good amount of support. In Canada, environmentalists and union members are opposed to NAFTA, which is consistent with the policy stances taken by leading environmental and union organizations. Interestingly, the respect for authority variable is significant in Canada. Those who value obedience to authority are more likely to accept the government position than others. It is interesting that the magnitude of the variable is actually larger in Canada than in Mexico (not only is the coefficient slightly larger, but in the case of Mexico the variable is trichotomous, whereas in the Canadian case it has four outcomes). This is particularly interesting because it is less clear who the lead cue-giver is in the Canadian political system. Still, given that free trade was no longer a pertinent issue in 1997, and that the major political parties supported NAFTA as early as 1993, it seems likely that those who believe that “government knows best” would be in support of free trade with the United States.

Most important for the case of Canada is that the variable asking about the government’s responsibility for a decent standard of living is significant and in the correct direction. As we hypothesized, Canadians that have a strong preference for the welfare state are likely to oppose NAFTA. The focus on this issue in the debate over NAFTA strongly linked it to opinions over the agreement. Finally, it is interesting to note that the immigration variable is nearly significant in Canada. Because it is coded opposite to the variable in the other two countries, the positive sign means that it has a similar effect—people who are less tolerant of immigrants are less supportive of NAFTA. As with Mexico, we believe this variable captures some of the anti-U.S. feelings that were salient in the NAFTA debates and rhetoric. While the nationalism variable is insignificant in Canada, we tried an alternative specification of the model using a U.S. feeling thermometer as a sign of “anti-U.S.” nationalism. This variable was significant and in the correct direction—individuals who felt warmly toward the United States were more likely to favor free trade. This corresponds with our hypotheses and the interpretation of the results presented here.

VI. ECONOMIC VERSUS INFORMATIONAL INFLUENCES

At this point, we have not yet focused on the magnitude of the coefficients. In this section, we examine the substantive effect of the coefficients and, at the same time, consider the extent to which the economic and context-driven variables mitigate or trump each other’s effects. Our primary interest is whether there is evidence that the context-driven variables cause people to adopt policy preferences that conflict with their economic interests.
We first note the substantive effects of the key variables for each model. In the case of Mexico, the impact of the economic variables is moderate. The financial satisfaction variable ranges across a ten-point scale, and moving from one end to the other changes the value of the dependent variable by a little less than 1/4 of a unit. The farmer dummy variable has a similar effect across its range. The impact of the job security variable is slightly less than the other two, as moving across the range of this variable changes confidence in NAFTA by roughly 1/5 of a unit. With respect to the context-driven variables, the coefficient on the union membership variable is not very large. The substantive impact of the respect for authority variable is slightly larger. The largest effect, however, comes from the immigration variable. When moved across its four-point range, this variable changes the dependent variable by well over half a unit.

In the case of the United States, the unemployed and industrial/manual worker dummy variables have a slight to moderate impact, whereas the substantive importance of the farmer dummy variable is nearly twice as large, at 4/10 of a unit. The impact of education is slightly greater across its twenty-point range. The environment policy variable, a dummy variable, has only a very slight impact. Nationalism and the immigration variables, on the other hand, have a fairly large impact, each exerting an influence of more than half a unit over their ranges.

Finally, turning to Canada, income has a moderate effect across its ten-point range, 1/3 of a unit, and the impact of financial satisfaction across its five-point range is just slightly less. The coefficient on the farmer dummy variable is also of moderate size. The job security variable, which ranges across five values, exerts a similar effect across its range. Of the context-driven variables, it is the respect for authority variable that, interestingly, has the largest effect, changing the dependent variable by nearly half a unit across its range. The union membership variable exerts a slight negative impact on the dependent variable. The environment variable, across its four-point range, and the government responsibility variable, across its one-point range, exert moderate influences.

In the introduction to this paper, we posed the question of whether or not non-economic influences might work to diminish economic influences, such that individuals are persuaded to act against their personal economic interests. Each of the models suggest that this can and does happen. Consider, for example, the case of farm workers in Mexico. Their location in a sector that is subject to significant short-term adjustment costs in each country and the dislocations and insecurities that are associated with it suggests that it is in their interest to have negative opinions toward NAFTA. The sign on the coefficient shows that the direct effect of this variable in each country matches this expectation, as we have already noted. Comparing the substantive effects of both the farmer dummy and the respect for authority variable, however, it can be seen that the respect for authority variable, when moved across its range,
cancels out and slightly overrides the impact of the farmer variable. Farmers who show a tendency to be more obedient to authority are slightly more likely to support NAFTA than the mean respondent. In contrast, those who do not value respect for authority hold views that reinforce their economic interests. If most farmers in Mexico tended not to value authority, which, in our analysis, leads them to accept the NAFTA cue from the executive, there would be no problem. But over half the farmers in our sample reported the highest possible value for the authority variable.

Turning to the U.S. case, it is interesting to examine the joint impact of education and nationalism. As we have noted, more educated people in the United States should support NAFTA, and free trade in general, because they have the most to gain. Once again, the direct effect of the education variable supports this hypothesis. But the more nationalist one is, the less likely he/she is to support NAFTA. Because nationalism has a more substantial effect across its range than education, our model shows that highly educated people who are also very nationalistic are less likely to support NAFTA than the average individual, ceteris paribus. As it turns out, however, a very low percentage of those with the highest level of education in our sample are also extremely nationalistic, so this situation does not often arise. The same occurs with the immigration variable. It exerts an effect capable of negating the positive effect of high education on support for NAFTA, but only roughly 4 percent of highly educated people in the United States also express a preference for the highest value on the immigrant variable (prohibiting all immigrants). However, slightly less than half of the respondents indicate a preference for some restrictions, which, compared to an open-door attitude, still cancels out the effect of education.

We see similar effects in Canada. Taking job security as an example this time, we see that those who are more concerned about their jobs and job security are less likely to endorse free trade. The variable ranges across five points, and its substantive impact across its range is roughly 1/3 of a unit. As noted earlier, respect for authority exerts an impact of more than 1/2 a unit across its range. Consequently, people who are economically insecure but hold great respect for authority are more than persuaded to go against their apparent economic interests. A little over 1/3 of the most economically insecure respondents indicate a strong respect for authority.

Of course, not all context-driven variables exert influences that are juxtaposed with the direction of the economic variables. Often, cues, affinities, and stances exert influences that reinforce economic interests. For example, sticking with the case of Canada, a person who is concerned about his or her job security, and who is also in favor of the environment and the welfare state, is pushed even further in opposition to free trade by these latter two variables. The same is true for the combination of low skilled or industrial/manual workers in the United States, and those who
In Canada, the dependent variable asked if free trade with the United States was good for the country. In Mexico and the United States, the dependent variable asked how much confidence the respondent had in NAFTA. Because Canadians view NAFTA as an extension of CUFTA, and have very few trade relations with Mexico, this question is a decent measurement of feelings toward NAFTA.

In Mexico, there is a difference between farmers (owners) and agricultural workers, so we separated the two occupations. There was no difference in the other two countries, so we report the disaggregated results for Mexico only.

In Canada, this question asked if Canada should admit more immigrants. The variable is coded 1 for more, 0 for the same, and -1 for fewer. In Mexico and the United States, this question asked about allowing immigrants to work in the country, ranging from 1 to 4, with 4 being the most conservative.

are unemployed, and the nationalism and immigration variables. And in Mexico, farmers who express xenophobic attitudes by expressing a pref-
ference for restrictions on immigrants have their economic interests reinforced and bolstered by these beliefs. What is interesting to note, however, is that it is possible for information targeted to the public by interest groups and elites to sometimes compete with economic interests.

VII. CONCLUSION

The study of public opinion toward regional integration and free trade has become very popular in recent years. Economic trade theory has, and will continue, to structure such research. The type of results we have presented here, however, suggest that scholars will be unable to fully understand the roots of public opinion until they delve into the popular issues that surround the debate about trade.

We find that both economic and context-driven factors influence opinion toward free trade, with the latter sometimes outweighing the influence of the former. It is particularly interesting to us that these non-economic factors are still significant with the data that we use, from surveys conducted several years after the debates. When trade is its most salient and the rhetoric strongest, such as before a policy has had time to affect an economy, one would expect any number of factors to influence policy preferences. When the actual effects of an agreement become known, however, and people realize whether they are a winner or loser, it is interesting that non-economic factors still hold sway. As we noted earlier, it is possible that the debate was kept alive by some interest groups, perhaps particularly in the United States, but this does not adequately explain the strong, lasting impact of the informational context across all three countries.

Our results indicate that it is possible for non-economic factors to counteract the effects of economic interests on preferences. Individuals who form opinions contrary to their expected economic interest, however, are not necessarily behaving irrationally. There are several reasons why cues, affinities, and stances may exert a more powerful influence on trade preferences. First, a majority of individuals in a country will be personally unaffected by trade agreements. Trade produces diffuse benefits, in the form of lower cost goods and prosperous economies, and concentrated costs, in the form of job losses or restructuring. Unless individuals feel the costs of trade directly, it is quite possible that they have only non-economic cues to turn to when forming opinions. Second, many individuals develop preferences based upon sociotropic concerns (Kramer 1983; Kinder, Adams and Gronke 1989; MacKuen, Erikson, and Stimson 1992; McGraw, Best and Timpone 1995). Even if one is not directly affected, reports of the consequences of a trade agreement, especially if they correspond to the rhetoric that circulated, can convince individuals that trade is not best for the country as a whole. Third, the opponents to free trade are often better organized than the supportive forces and use more persuasive media to shape public opinion. In the case of NAFTA, the anti-NAFTA forces used strong, negative images to
influence the public—characteristics that tend to stick out in a person’s mind when forming opinions about trade (Cobb and Kuklinski 1997).

In sum, this paper shows that popular rhetoric is an important and significant player in free trade debates, and that it significantly influences attitudes. While our results show that non-economic influences have lasting effects, we do not know how long such considerations will remain significant predictors of NAFTA support, or how they will compete with long-term economic effects.

The findings in this paper have potentially important implications for the future of integration in North America. That support for free trade is not simply a function of the expected material costs and benefits of such policies makes predicting support for future integration considerably more difficult. On the one hand, elite support for further integration has the potential to persuade those likely to experience losses by framing the debate in a way that is more palatable. On the other hand, even if widening the scope of integration in North America produces benefits for a majority of citizens, elite dissenters have the ability to mobilize anti-integration sentiment by focusing the debate on the less popular consequences of integration.

REFERENCES


Jackson, Andrew. 1999. "Impact of the FTA and NAFTA on Canadian Labour Markets." In B. Campbell et al., *Pulling Apart: The Deterio-


