

- Katz, Sheila. 1996. "Challenging Free Trade in the Americas: Toward Co-Responses." Conference Report.
- RMALC (Red Mexicana de Acción frente al Libre Comercio). 1991. "comercio o explotación libre?" Mexico City: RMALC.
- . 1994. "Integración, democracia y desarrollo: hacia una agenda continental." In *Memoria Encuentro Internacional*. Mexico City: RMALC.
- . 1997. *Boletín Alternativas* 14 (May).

1 Integration Policy from the Grassroots Up: International Implications of Latino, Labor, and Environmental NGO Strategies

Hinojosa-Ojeda

Politics of international economic policy formation in the United States, the world's largest trader and investor, became increasingly difficult in the 1990s. Over the decade, economic relations between the United States and Mexico became the principal metaphor for the public discussion of the global costs and benefits of trade and investment liberalization. In the process, three related issues traditionally not part of policy debates came to play pivotal roles: environmental sustainability, labor rights and standards, and community economic adjustment and development.

In January 1990, top Mexican government officials traveled to Washington for a hastily arranged meeting to advise the Bush administration that Mexico would accept the United States' offer to negotiate a North American Free Trade Agreement (NAFTA). Few imagined that environmental, and community adjustment would become central issues. Yet by the November 1993 U.S. congressional vote on NAFTA, an unusually effective strategic coalition of Latino and environmental groups had come together. They succeeded in forcing the establishment of a new set of transnational institutions as part of the "NAFTA-93" legislative package, becoming the determining factor in the slim congressional majority for the agreement (Destler 1995; Audley 1997; Peterson 1995). Four years later, however, the Clinton administration failed to build a consensus on how to address NAFTA's impacts, the weakness of the NAFTA institutions, and the continuing role of

Hinojosa-Ojeda 1991. As we shall explore below, traditional theoretical frameworks in the fields of economics and political science were equally unprepared to predict, explain, or guide the new pattern of negotiations that would soon ensue.

environmental, labor, and community economic adjustment issues in future trade agreements. This led Latino and environmental groups to withdraw their support from the fragile NAFTA-Plus coalition, significantly wounding the prospects for President Clinton's 1997 request for fast track negotiating authority. The lack of consensus within the U.S. and the broader North American contexts has stalemated the prospects for further global trade and investment liberalization agreements, or for progress on their incorporation of environmental, labor, and community development issues.

At this impasse, the time is ripe for theoretical and strategic reflection. How was it that these nontraditional issues were able to rise to the top of an agenda that was historically controlled by a select few state and economic interests? How unique were the conditions that generated the opportunity for a new set of actors, particular nongovernmental organizations (NGOs), in the environmental and U.S. Latino communities, to play such a strategic role vis-à-vis the more traditional state, business, and labor actors in North America? How important have the new NAFTA-related institutions been, and how important could they be, as social and political avenues for addressing the inequalities that gave rise to a new set of environmental, labor, and development issues in North America? What have we learned about the needed capacity for crafting, mobilizing, and implementing new transnational alliances and institutions that can successfully advance alternative approaches to the issues of transnational, uneven development?

I will argue four basic points in response to these questions:

- The experience with NAFTA and its side agreements represents a significant milestone, with potentially important global implications, in the emergence of new societal actors into the traditionally closed arena of international economic policy-making—an arena long dominated by a limited set of state agencies and economic interests. The process of globalization over the past two decades has created a new politically contested arena in which major issues will remain unresolved for quite some time given that neither governing states nor societal actors are prepared to propose new, as yet politically sustainable transnational policy agendas. This new political space is both a unique opportunity for “clear field” running in proposing new progressive approaches and an opening for strong reactionary tendencies fraught with national chauvinist and racist currents.
- The successful development of an alternative grassroots approach in the North American context was due, ironically, to the highly uneven pattern of development and rapid integration, led largely

by societal actors (multinational capital and immigrant labor). This social and economic process unfolded in the context of uneven access to political rights by poorer communities in the United States, Mexico, and Canada, as well as limited avenues of political redress concerning unequal consequences of the historical pattern of transnational integration. The actual impact of North American integration is highly asymmetrical—and much less significant for the United States than for Mexico or Canada. Nevertheless, various U.S. societal actors were able to take advantage of the trade negotiation process—initiated by governing nation-states primarily for geopolitical purposes—to highlight long-neglected consequences of global economic integration and uneven development.

In this new context, the Latino community played a crucial role in providing a transnational perspective and vision of an alternative specific to North America. This approach recognized the inevitability and potential benefits of integration while focusing attention on addressing its costs, which lower-wage Mexicans on both sides of the border had been experiencing long before NAFTA became a “hot” political issue. This transnational Latino perspective was rooted in a long and harsh experience with the process of economic integration, particularly during much of the postwar era, when most groups in the United States were not interested in Mexico. This alternative perspective was adopted in light of, and despite evidence that, the Latino community would be disproportionately impacted by NAFTA, far more than any other U.S. constituency (Hinojosa-Ojeda 1997; Hinojosa-Ojeda et al. 1992).

- The uneven construction and performance of the NAFTA-related institutions (the North American Development Bank [NADBank] and the Border Environment Cooperation Commission [BECC]) can be traced back to the differences in strategic interactions between different societal actors and national states. Specifically, key social constituency groups lacked the capacity to consolidate a transnational advocacy network with well-thought-out and coordinated visions of short- and medium-term steps necessary for North American strategic cooperation. The fragility of the coalition that forced new agenda items on the states emboldened the conservative opponents of the NAFTA-Plus consensus, leading to the withdrawal of the tentative support by North American states to follow through aggressively on these consensus approaches and the institutions that they represented. It was this failure of state actors to pursue forceful implementation of the side agreements and their expansion under fast track that led Latino and environmental

groups that had supported the NAFTA-Plus consensus to withdraw crucial support, contributing to the current stalemate.

- The new political arena for international economic policy formation is still fluid, and it is being shaped by ongoing strategic interactions between national societal actors, governing states, international institutions, and transnational activist networks in ways that are setting the norms, principles, and terms of debate for future trade agreements.

The current debate on fast track and U.S. international economic policy offers another opportunity to go beyond a simple rejectionist stance and to propose politically viable transnational policy alternatives. The future evolution of the North American pattern of integration and development, as well as the scope and efficacy of its agreements and institutions, will depend on the evolution of transnational social networking and coordinated action, including strategic choices that will influence the agendas of states and traditional economic actors.

Within this context, the key issue will be the capacity of groups to carry out activities in at least the following four areas:

- A broad, popular vision of socially just and environmentally sustainable patterns of economic development with ongoing integration through trade, investment, and migration.
- A coordinated strategy to prompt governments and legislatures to build and expand on the elements of a NAFTA-Plus approach for the next round of fast track authorization and future trade agreements.
- Immediate campaigns to move the NAFTA institutions to test their limits of activity through continuous efforts to leverage ongoing labor, environmental, and community development organizing efforts.
- Coordinated programs of transnational network-building across a wide range of groups with potentially complementary strategic objectives in North America, the Western Hemisphere, and, potentially, other areas of the globe.

This chapter develops a framework for the analysis of North American economic integration—integration that has given rise to a new political arena for actors and to agendas that set the stage for the NAFTA and side agreement negotiations. It traces the strategic interactions between new societal actors and governing states that led to the formation of new agreements and institutions. An evaluation of the side agreements and institutions is used to discuss the failure of fast track

during the Clinton administration. Finally, the essay offers some conclusions and strategic recommendations for further research, social mobilization, and policy actions that could lead to strategic movement toward a more sustainable and democratic pattern of North American integration and development.

THEORIZING THE ARENA FOR STRATEGIC ACTION

Most policymakers and theorists frame international economic policy in terms of interactions between state actors (the so-called realist framework of analysis), with some also allowing for the important role of dominant economic actors and institutions within, and sometimes across, national societies (the so-called liberal or institutionalist framework).² In contrast, the “two-level games” approach has attempted to surpass purely realist or liberal interpretations that assume either domestic causes and international effects (“second image”; see Waltz 1959) or international causes and domestic effects (“second-image-reversed”; see Gourevitch 1978). This alternative approach aims “instead for ‘general equilibrium’ theories which account simultaneously for the interactions of domestic and international factors.”³ The conceptualization of this approach is illustrated in figure 11.1, displaying the rather mechanistic and limited operation of the original metaphorical formulation. Finally, a new wave of “constructivist” theorizing has emphasized how ideas and identities are created as well as “the capacity of new discourses to shape how political actors define themselves and their interest and thus modify their behavior.”⁴ Within this current, international networks of activists are beginning to be recognized as increasingly important mechanisms for the development of new policy ideas and the effectiveness of international institutions (Keohane 1998; Keck and Sikkink 1998).

Different theorists have tried to interpret the NAFTA negotiations within these various frameworks, each resulting, at best, in a partial view of the entire dynamic. One interpretation “argues that trade-environmental agenda[s] are] driven by wealthy states with relatively stringent environmental regulations” (Steinberg 1997: 232). The adoption of environmental provisions of the NAFTA is attributed to a “spill-

² On developments in international political economy in the 1990s, see Doyle and Ikenberry 1997; Baldwin 1993; Walt 1998.

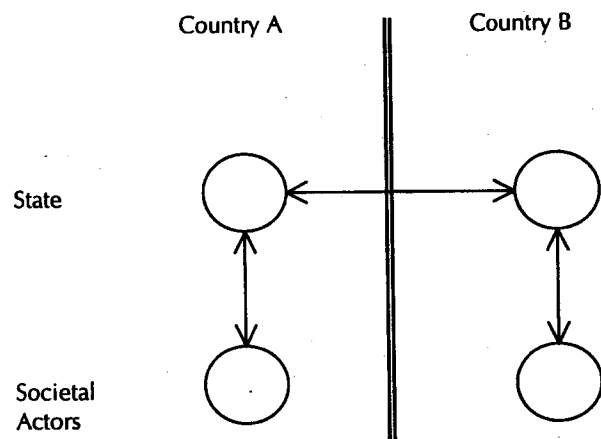
³ This is Robert Putnam’s now famous formulation (1988; see also Putnam 1993).

⁴ Walt 1998: 41. For constructivist approaches, see Wendt 1992, and Lapid and Kratochwil 1996. On the role of ideas, see Goldstein and Keohane 1993.

over⁵ tendency whereby "as integration deepens through liberalization among members of a trade organization, the richer, greener countries' interest in the development of environment-friendly rules also increases." Thus the incorporation of an environmental trade agenda into NAFTA is seen as more advanced than in the World Trade Organization (WTO) but less so compared to the European Union (EU) due to the relative weight of "powerful green states" (Steinberg 1997: 233).

Although this approach has the virtue of focusing attention on state actors' strategic motivations, it has difficulty accounting for why NAFTA was negotiated in 1992 with essentially the same provisions as those incorporated into the WTO,⁶ despite U.S. and Canadian economic and environmental positions vis-à-vis Mexico at that time. It was only after the unexpected emergence of new political forces in opposition to the original NAFTA text, signed in September 1992, that the governments were forced to launch new negotiations on the side agreements. It is precisely this emergence and formation of a new, dynamic political arena that set the basis for a much greener NAFTA, and which needs to be explained rather than merely attributed to a secular or functionalist tendency for spillovers from continuous integration.

Figure 11.1. Original Two-Level Game Formulation



⁵ On the idea of "spillovers" from initial, previous, or ongoing efforts at integration, see Haas 1980.

⁶ For example, the NAFTA provisions on sanitary and phytosanitary measures are very similar to the so-called Dunkel text, which became the basis of the final agreement in the Uruguay Round of the GATT.

More traditional, realist interpretations are nevertheless useful in explaining the origins of the U.S.-Mexico negotiations. North American state actors did have clear interests in initiating negotiations, and their motivations appear to have focused originally on specific geopolitical and Mexican stability concerns, with much more vague economic ideas and goals serving as secondary and complicating motivations.⁷ While the more powerful states did pursue a stronger environmental and labor agenda, their approach was two-faced, pushing an interstate agenda only as far as necessary to cope with domestic pressures from their own countries and, in the case of the Mexican government, societal actors from other countries as well.

Most theories of U.S. trade politics have developed historically within a liberal framework, stressing the importance of domestic constraints on state actors. The classic analysis of the U.S. problematique focused on the now famous Smoot-Hawley bill and stressed that individual, sectoral, or regional interests would always have a tendency to overwhelm collective or general interests (Schattschneider 1935). Trade politics would be dominated by the conflict between special interests with the localized power to protect their particular sector, and they could potentially overwhelm more general interests, which are diffuse. Since the Great Depression of the 1930s, theorizing and political practice have focused on how to limit the aggregate influences of special interests in favor of a more autonomous ability for the state to negotiate the "national interest."

Destler (1995) and Grayson (1995) both see the NAFTA side agreements as representing a dual failure by a "less protected Congress facing unprecedented trade-political pressures generated mainly by unprecedented trade deficits" and by an executive under "Clinton [who] opened the field to the NAFTA critics" (Destler 1995: 66, 222). Destler shows, however, that traditional congressional tight control over the trade agenda in places like the House Ways and Means Committee began to erode in the mid-1980s, even before the Canada-United States Free Trade Agreement (CUSFTA) and the GATT round were launched. As many analysts have pointed out, it was only with NAFTA, and especially the side agreements, that "the relationship between trade liberalization and consumer and environmental protection became

⁷ The author's interviews with White House staff in 1991 indicated that the original motivation came from the National Security Council's concerns about the Mexican electoral prospects in the absence of a substantial Mexican debt reduction agreement. Grayson (1995) and Destler (1995) confirm that the Office of the U.S. Trade Representative (USTR) was initially against a U.S.-Mexico negotiation because it would detract attention from larger global concerns such as the Uruguay Round.

visible for the first time in the United States" (Vogel 1997: 145). This liberal formulation is not sufficient to explain why it took the U.S.-Mexico context and NAFTA to produce a large-scale emergence of new issues and actors, despite the relatively smaller impact on the U.S. economy compared to Canada and GATT (the General Agreement on Tariffs and Trade).

The new reality of anti-trade politics is also now more complex, especially with respect to Latino and environmentalist organizations whose role in the negotiations cannot merely be attributed to or labeled "protectionism" in the traditional, liberal formulation. They did not oppose trade in sector-specific areas or even trade in general; rather, they sought to make the trade regime adopt the more general and collective concern about an adequate adjustment process, enforcement of labor rights, and sustainable development.

Understanding the role of the Clinton administration in the NAFTA side agreements also requires going beyond traditional liberal formulations of state-society interactions in the making of trade policy, and beyond what might appear to be a two-level game formulation of interstate negotiations with national domestic actors. While some claim that Clinton "ceded the field to the critics," his administration's actions are better understood in terms of more complex bargaining with a series of international and global players, as well as with a series of domestic constituencies that were developing transnational linkages and alliances with their own, alternative, transnational policy agendas.

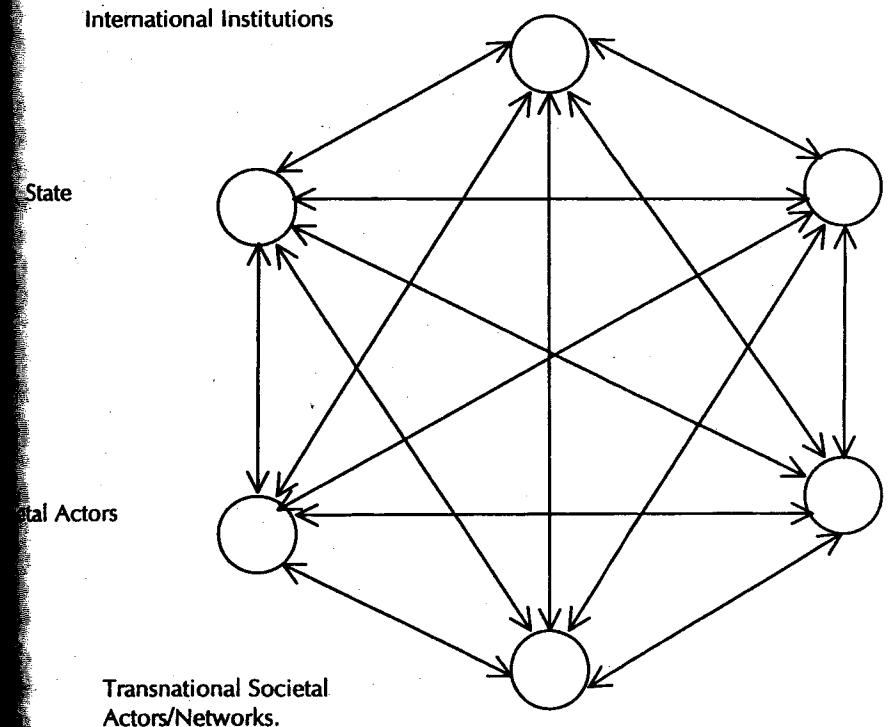
Furthermore, not only have domestic societal actors begun to develop linked strategies across national boundaries, nations themselves have attempted to develop strategies, and even linkages, with societal actors in other countries. Finally, the experience of the Clinton administration with the NAFTA side agreements includes the resulting emergence of both transnational societal networks and organizations and new transnational multi-state institutions. Both open up new arenas for transnational political discourse and create new types of transnational strategic actors.

Thus the traditional two-level game framework must be reformulated to include not only a more complex "multilevel" structure of strategic interactions but also an understanding of the dynamic process of the development of this new "multilevel" transnational political arena. Figure 11.2 represents this more complex structure of multilevel interactions between: (1) states, (2) states and national societal actors, (3) national societal actors, (4) international institutions and states, national societal actors, and transnational societal actors, and (5) transnational societal actors and international institutions, states, and national societal actors. In addition to this structure of interactions, however, new

theoretical and political perspectives are needed to conceptualize how these patterns of strategic interaction have shaped and will shape the contours of relative power relations, and possible alternative options, in the emerging transnational political arena.

In this very fluid period of the initial formation of a new political arena, the stakes are very high indeed as new dependencies are created. These diverse patterns of strategic interaction will produce outcomes that will influence the identities and capacities of national organizations and transnational networks in the future, the viability of concrete movements that affect people's lives, and the alternative metaphors adopted in the popular debates.

Figure 11.2. Emerging Multilevel Transnational Political Arena



THE SHAPING OF THE TRANSNATIONAL POLITICAL ARENA

U.S.-Mexico relations over the last twenty years or so reveal an iterative process of strategic interactions between various actors and the shaping of the transnational political arena in the context of a shifting pattern of uneven economic integration between the two countries. As has happened in previous phases of U.S.-Mexico relations, the actors' current strategic options are constrained by the changing pattern of integration reflected in the division of production, distribution, and environmental linkages, as well as by the continuously contested patterns of state-society relations within and across countries. As in the past, the characteristics of the U.S.-Mexico problematique are often highly exaggerated both in terms of their relative importance to the United States and in terms of their impact on global U.S. policies toward developing countries—outstripping the power of the original metaphor (see Hinojosa-Ojeda 1998).

The emergence of this new political arena in the North American context can thus be seen as driven by the changing interaction between (a) highly uneven development and rapid integration, led primarily by national societal actors (businesses and migrants), combined with (b) a substantially uneven distribution of political rights in the United States, Mexico, and Canada and limited avenues of political redress concerning the unequal consequences of the historical pattern of transnational integration. It is within this changing pattern of transnational and national structures that new forms of strategic action are being created. The historical origins of the new North American political arena have to be seen as emerging from:

- the shift from post-World War II patterns of nationally based forms of economic growth and integration, with a limited set of actors involved in the dominant patterns of state-society relations and
- the new pattern of dramatically accelerated transnational integration with increasing, uneven development, accompanied by breakdown in old state-society relations and new movement toward democratization for previously excluded players (Hinojosa-Ojeda and McCleery 1992).

In the postwar pattern of North American integration, dominated by Fordist modes of accumulation and distribution in the United States and import-substitution industrialization (ISI) in Mexico, production in both countries was primarily for domestic consumption, with trade and foreign direct investment limited to primary products and capital goods.

While some actors (internationalized corporations and immigrant workers) did have extensive transnational involvement during this period, most domestic societal actors were preoccupied with their own national domestic political and economic pacts. Northern (U.S. and Canadian) actors that had direct relations to patterns of transnational accumulation (labor unions of U.S. multinational corporations, or MNCs) generally ignored and benefited from the asymmetry of the pattern as their basic domestic interests were being met.⁸

Mexican workers, of course, had to deal with U.S. MNCs as adversaries as well as providers of needed employment. Immigrants and Latino workers had to operate constantly in the context of a transnationally organized and competitive labor market, resolving issues and developing organizing strategies for transnational and national working-class solidarity.⁹ Border worker activists also had to be constantly involved in bridging national and transnational arenas for developing organizing strategies, with very little support from major national societal actors in their country.

Shaping Political Economy: Uneven Restructuring and Integration

The pattern of U.S.-Mexico integration began to change radically with the 1982 debt crisis and the Reagan-Thatcher monetarist recession of the early 1980s. The collapse of the Mexican ISI model and the acceleration of transnational investment led to the rapid growth of Mexican exports and in-bond processing plants (*maquiladoras*) as well as rising migration and falling real wages in Mexico. Employment dislocations and inequality had been rising in the United States since the late 1970s, but the "Great U-Turn" accelerated in the 1980s, hitting Latinos and immigrants hardest due to their status as late entrants to low-wage manufacturing, as well as to their disproportionately high numbers in the export sector (Carnoy, Daley, and Hinojosa-Ojeda 1993).

Starting with Mexico's unilateral liberalization and its entry into the GATT in 1988 (five years before NAFTA), U.S.-Mexico integration became much more complex. The two countries saw their greatest period of accelerated integration, particularly in investment and trade in

⁸ There were some isolated attempts by U.S. labor unions to make contact with Mexican unions during the Mexican Revolution (PLM-IWW), the Great Depression (CIO-CTM), and the 1960s (UAW-CTM). See Gómez-Quiñones 1994.

⁹ See Gómez-Quiñones 1994 for a discussion of the CASA-HGT experience and the organizing of the "First International Conference in Defense of Transnational and Undocumented Workers," held in Mexico City in 1980.

intermediate and final goods.¹⁰ Yet while North American integration had already been evolving in a particularly uneven pattern, in terms of both employment and environmental winners and losers, the growth of the late 1980s highlighted relative underinvestments in environmental infrastructure and employment adjustment in poorer communities. The proliferation of market failures driven by transnational restructuring became clearly seen as a growing source of widening inequalities.

Unintended Consequences of Uneven Integration: New Social and Political Actors

The elite-driven pattern of liberalization and integration generated increasingly unequal distributions of the costs and benefits of economic restructuring. This produced the unintended consequence of generating spaces for the introduction of new social actors and agendas on behalf of regions and social sectors that had long been neglected.

By the time NAFTA was being debated, the real issue for North America's uneven development should not have been tariff liberalization as much as the lack of state-society mechanisms in both the United States and Mexico to deal with the new political economy of transnationalization. Yet the dominating metaphor, which captured the popular and public media imagination in the United States, was Mexico's sink of low wages and low environmental standards, a metaphor that served as an easy explanation for a wide range of increasingly visible social inequalities.

It was in this context that we saw the emergence of a wide range of social movements and actors who began to enter the political arena with a new sense of social legitimacy. This social and political legitimacy enhanced the incipient formation of new networks and aided the formation of national and transnational social capital among Latino labor, and environmental social movements. In a process similar to the emergence of advocacy networks around other transnational issues (see Keck and Sikkink 1998), the existence of a range of unaddressed concerns generated a vacuum that was filled by social networking entrepreneurs.¹¹ Their organizing of forums (such as Mexico-U.S. Diá-

logue and movements (the 1991 campaign against fast track) enhanced their ability to shape the newly reconstituted political arena.

Already in the pre-NAFTA fast track discussion, however, Latino activists became wary of the "anti-foreign" and "anti-Mexico" tone that resonating in many arguments about the potential impact of a post-free trade agreement. The lived experience of negative externalities—including those dealing with environment and labor inequality, the organizing milieu for most Latino advocacy organizations—led them to frame their issues in terms of the transnational labor markets and community networks that included Mexican workers, immigrants, and Latinos in the United States. In 1991 most major Latino groups were not yet on the same page politically. The National Council of La Raza (NCLR) ended up supporting it, the Mexican American Legal Defense and Education Fund (MALDEF) board was deeply split, the Southwest Voter Research Institute (SVRI) sat out the debate, and the Congressional Caucus was divided. Nevertheless, the various forums and campaigns at the time set the foundations for identifying transnational criteria for binational economic, labor, and environmental development, particularly for the most disenfranchised.¹²

APPENDIX I: STATE-DRIVEN INVESTMENT AND TRADE AGENDA

As noted earlier, the motivations of North American state actors appear to have focused originally on specific geopolitical and stability concerns. But while the original impetus for NAFTA reflected more of a state-centered logic rather than a specific corporate-driven vision, the states nevertheless quickly recruited capital into the project. The mobilization of investors was the states' primary means toward their ends, leading to drive forward certain trends of transnational investment that would help resolve the short-term financial problems that were a primary concern of both the United States and Mexico. Other U.S. geopolitical considerations, such as prompting Europe and Asia on GATT and other binational or regional issues, were then incorporated into the project but only after much internal debate.

¹⁰ Hinojosa-Ojeda et al. 1996. Because its impact on employment can be easily misunderstood, this trade must be analyzed carefully.

¹¹ "Transnational advocacy networks appear most likely to emerge around the issues where (1) channels between domestic groups and their governments are blocked or hampered or where such channels are ineffective for resolving a conflict, setting into motion the 'boomerang' pattern of influence characteristic of these networks; (2) activists or 'political entrepreneurs' believe that networked will further their missions and campaigns, and actively promote networks; and

international conferences and other forms of international contact create arenas for forming and strengthening networks" (Keck and Sikkink 1998: 12).

The original proposal for the NADBank was presented at both the Mexico-U.S. Dialogos 1991 Labor Meeting in Chicago and the first Latino Consensus Forum in San Antonio, Texas, in October 1991.

MOBILIZATION AND EXPANSION OF NATIONAL AND TRANSNATIONAL NETWORKING

It was during the negotiation of the original NAFTA text in 1991-1992 that transnational civil society networks began, quite unexpectedly, to break onto the U.S. and Mexican national political landscape with new identities and strategic positions. The "Latino Consensus NAFTA," for example, was originated by the Southwest Voter Research Institute, and it was eventually sponsored by over twenty major Latino organizations in the United States, along with scores of Latino elected officials.¹³ The Latino Consensus represented one of the most comprehensive discourses on virtually any issue in U.S. Latino history. It organized twenty-one regional conferences in states with large Latino populations, bringing together perhaps the broadest range of national and transnational constituencies assembled by any pro- or anti-NAFTA movement, including organizational representatives from labor, environmental, human rights, academic, small business, and economic development groups, and from all major political parties in the United States and Mexico.

A number of research projects were launched as part of the Latino Consensus to estimate NAFTA's potential employment impacts. The research initiative was the only one to measure specific regional and labor-market impacts by ethnic and gender categories. Although the research indicated that NAFTA would have a very small effect at the aggregate level, it would have a disproportionately larger negative impact on Latino workers, particularly immigrant workers (Hinojosa-Ojeda 1997; Hinojosa-Ojeda et al. 1992).

The Latino Consensus ultimately espoused a "NAFTA-Plus" position in December 1992. NAFTA-Plus laid out a series of demands in nine topic areas, along with specific goals to be negotiated through a

¹³ A partial list would include the following: Arizona Hispanic Community Forum (Arizona), Cuban American Coalition (Florida), Cuban American Committee for Research and Education Fund (Washington, D.C.), Julián Samora Research Institute (Michigan), *La Opinión* newspaper (California), Labor Council for Latin American Advancement (Washington, D.C.), Latino Institute (Illinois), League of United Latin American Citizens (Texas), Mexican American Legal Defense and Education Fund (California), Mexican American State Legislators Policy Institute (Colorado), Mexico-United States Consortium for Academic Cooperation (Michigan), Midwest Northeast Voter Registration Education Project (Illinois), National Congress of Puerto Rican Rights (New York), National Council of La Raza (Washington, D.C.), National Puerto Rican Coalition (Washington, D.C.), Organization for Legal Advancement of La Raza (California), Southwest Voter Registration and Education Project (Texas), Southwest Voter Research Institute (Texas), Texas Association of Mexican American Chambers of Commerce (Texas), and the Texas Industrial Area Foundation (Texas).

al NAFTA side agreements. In an exercise of unprecedented national Latino electoral influence, these demands would be maintained as the basis for negotiations with the White House over fifteen votes on NAFTA in 1993.

As mentioned previously, the Latino community played a role by articulating its alternative perspective on integration in North America, while still recognizing the inevitability and the potential benefits of integration. It also drew attention to the costs of integration, which had been affecting lower-wage Mexicans on both sides of the border long before the NAFTA debate began.

The emerging complementarity of strategies among the variety of labor, environmental, and other activists forced the national states to address the NAFTA agenda and eventually to enter into unprecedented agreements that created equally unprecedented, publicly oriented national institutions for addressing labor, environmental, and community development issues. Staunchly anti-NAFTA environmental and labor groups were able to use NAFTA as an effective metaphor for discussing the negative impacts of globalization. While falling short of developing concrete, popularly based legislative proposals, they were nonetheless key in establishing a strategic counterweight that allowed the NAFTA-Plus coalition to provide a politically credible alternative.¹⁴

NAFTA II: STATES TRY TO CREATE AND LIMIT SIDE AGREEMENTS

In this new political arena, the manner in which nations choose to respond to emerging networks will be crucial for the political viability of the integration process—as well as for patterns of development and the future evolution of state-society relations. There did develop a type of neofunctionalist "spillover" from trade and investment liberalization, but not in the neo-functionalist sense but rather as an unintended consequence. It is not that liberal institutions were open to these efforts; they were forced to accept them. Nor did the Clinton campaign or administration see the NAFTA issues as a political priority or even as a political opportunity. They, too, were simply forced to deal with it.

The negotiations of the NAFTA side agreements were actually a series of multi-country, linked, multilevel games that mobilized, limited, and institutionalized certain patterns of corporate, societal, state, and transnational organizational practices. The Clinton administration sought to

Audley (1997: 34, 50) credits this dual "good cop/bad cop" approach as providing a source of political "pre-emptive leverage" to "modify the political agenda for the policy negotiations to include environmental issues." Audley also points out how for environmental groups "the Mexico-U.S. border served as the metaphor for the potential problems with unregulated economic integration."

build a political coalition that balanced, on the one hand, the incorporation of civil society demands on labor and environmental issues into the debate—which could win votes—and, on the other hand, limit civil society access as much as possible—to avoid losing corporate support and Republican votes.

The Clinton administration pursued a strategy of domestic society interactions during the side agreement negotiations that aimed to limit the role of civil society interventions as much as possible while nevertheless agreeing to the principles of “transparency and public participation.” How transparency and public participation were defined, however, would be different in each of the labor, environmental, and community development side agreements. These differential institutional constructions reflected the political calculations and coalitions within each area—not any unified vision of necessary institutions or their potential economic impact.

Ironic Harvest: The Latino Accountability Exercise

In the end, its multilevel strategy allowed the Clinton administration to achieve its short-term political objective: passage of NAFTA. Ironically, the success of state attempts to limit civil society-based institutions resulted in a weakness in the sustainability of the NAFTA consensus. In addition, the administration’s decision not to solidify a base of support among friendly social movements was perceived as an abandonment of “green” concerns.

The uneven construction and performance of the NAFTA-related institutions correlates to the underdeveloped capacity of groups to constitute a transnational network with well-developed, coordinated institutions of the short- and medium-term steps necessary in North American strategic cooperation. The fragility of the original coalition, which forced the new agenda items on the states, emboldened conservative opponents of the NAFTA-Plus consensus. It was the failure of state actors to follow through on forceful implementation of the side agreements and their expansion under fast track that led Latino and environmental groups who supported NAFTA-Plus to withdraw their support, which has contributed to the current stalemate.

CURRENT STALEMATE, FUTURE CHALLENGES

Given a new political arena for international policy-making—an arena that is still in its early and very fluid stages of development, and constantly altered by the engagement of societal actors within and between nations—future productive dialogue will hinge upon the success

of transnational activist networks and their ability to participate fully in international policy debates. Within this context, as mentioned above, the key will be the capacity of groups to carry out activities in at least the following four areas: (1) creating a broad, popular vision of socially and environmentally sustainable patterns of economic development; (2) developing a coordinated strategy to promote the continuation and expansion of a NAFTA-Plus approach for future fast track trade agreements, (3) campaigning for policies that encourage NAFTA institutions to prove themselves as valuable enforcers of international policy, through efforts on labor, environment, and community development, and (4) coordinating programs of transnational network-building among a wide range of groups with complementary strategic objectives in North America and elsewhere.

Alternative policies should be based upon further developing and strengthening the types of democratic institutions and organizations that can support and implement long-term mobilizations to address labor concerns, environmental sustainability, and the inequalities inherent in economic development as it presently exists.

References

- Boyer, John. 1997. *Green Politics and Global Trade: NAFTA and the Future of Environmental Politics*. Washington, D.C.: Georgetown University Press.
- Chalmers, David, ed. 1993. *Neo-realism and Neo-liberalism: The Contemporary Debate*. New York: Colombia University Press.
- Hinojosa-Ojeda, Martin, H. Daley, and Raúl Hinojosa-Ojeda. 1993. “The Changing Economic Position of Latinos in the U.S. Labor Market since 1939.” In *Latinos in the Changing U.S. Economy*, edited by Rebecca Morales and Frank Bonilla. Newbury Park, Calif.: Sage Publications.
- Keohane, Robert O., and Joseph S. Nye, Jr. 1995. *American Trade Politics*. Washington, D.C.: Institute for International Economics.
- Keohane, Robert O., and Joseph S. Nye, Jr., eds. 1997. *New Thinking in International Relations Theory*. Boulder, Colo.: Westview.
- Keohane, Robert O., and Joseph S. Nye, Jr., eds. 1993. *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change*. Ithaca, N.Y.: Cornell University Press.
- Quiñones, Juan. 1994. *Mexican American Labor, 1790–1990*. Albuquerque: University of New Mexico Press.
- Reich, Peter. 1978. “The Second Image Reversed: The International Sources of Domestic Politics,” *International Organization* 32 (Autumn).
- Robinson, George. 1995. *The North American Free Trade Agreement: Regional Community and the New World Order*. Lanham, Md.: University of Virginia Press.
- Wallerstein, Ernest B. 1980. “Why Collaborate? Issue Linkage and International Regimes,” *World Politics* 32, no. 357.