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# The Role of Nafta in the Economic Development of the United States

Since NAFTA came into effect 22 years ago in 1994, it has played a major role in shaping the way that the United States' economy has grown and changed in that period of time. By making provisions to end tariffs and make international banking much easier, NAFTA has had a myriad of both positive and negative effects on the economy of the United States. While NAFTA has resulted in the elimination of many U.S. manufacturing jobs, it has also increased trade and strengthened the economies of Canada and Mexico, creating an economic safety net in times of crisis.

## The major provisions of NAFTA are laid out below.

Of these provisions, most have benefited the economies of each member nation, but in different ways. The U.S. is able to export cars and agricultural goods more cheaply to Mexico and Canada, and U.S. corporations are able to turn a larger profit by having their products manufactured in Mexico where labor is far cheaper, which in turn provides many manufacturing jobs to Mexican laborers. Canada is also able to export agricultural goods, as well as truck imports and exports more freely.

However, there are some drawbacks to these benefits. It has become prohibitively expensive for U.S. companies to have their products manufactured locally, driving low skill level jobs from American communities and increasing the amount of carbon emissions emitted by the process of trucking goods back to their intended consumer market. This also has caused the U.S. to sustain a massive trade deficit of approximately \$47 billion. In addition to this, something that is often overlooked is that the relaxed trucking regulations outlined in NAFTA allow Canada to cheaply export landfill waste to Michigan (over 7.6 million tons in 2013), causing more air and water pollution, as well as scenic eyesores for residents of the state.

Overall, NAFTA has represented a key improvement in diplomatic relations in North America. While it may be responsible in part for a gross increase in the United States GDP, it has also created more than its fair share of economic and environmental conundrums, from widespread unemployment of manufacturing workers to a sharp shift in the trade deficit. In the end it is beneficial for big American companies, but makes it harder for many working class Americans to make a living and makes the US less of a viable war economy by outsourcing our manufacturing jobs.

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