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David Ricardo's Theory of Foreign Trade vs Modern Comparative Advantage Theory

A review-essay of Eating NAFTA (2018) by Alyshia Gálvez

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Abstract

In this review-essay of the book *Eating NAFTA (2018)* by Dr. Alyshia Gálvez, I argue that Gálvez ultimately provides readers with a weak critique of David Ricardo's theory of foreign trade. I use an accurate textual reading of David Ricardo's four numbers to argue that Gálvez attacks a straw-man of the classical free trade position. I then critique Gálvez's discussion of efficiency and provide an alternative discussion of the debate over efficiency vs self-sufficiency. Finally, I raise concerns with Gálvez's claim that NAFTA contributed to Mexico's import dependency and provide a general critique of Dependency Theory; a popular framework employed by many economists, often used to analyze uneven economic development. Overall, while Gálvez presents readers with a thoughtful analysis of the impact of NAFTA on Mexico, Gálvez, unfortunately, misreads classical political economists like David Ricardo completely, and ends up providing readers with a weak analysis of production-exchange relations under the capitalist system.

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Keywords: Free Trade, Comparative Advantage, David Ricardo, Dependency Theory, Neo-Colonialism

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In Eating NAFTA: Trade, Food Policies, and The Destruction of Mexico (2018), cultural anthropologist Dr. Gálvez explores the intersection of capitalism and food production. Gálvez examines the public health consequences of Mexico's entry into the 1994 North American Free Trade Agreement (NAFTA). Although NAFTA eliminated many tariffs on goods exchanged between Mexico, Canada, and the United States (US), some industries in the US remained highly protected through federal subsidies. For example, NAFTA rules stipulated that Mexico would eliminate tariffs on corn imported from the US, but it allowed the US to continue subsidizing its own production of corn, among other agricultural products. As a consequence of this, US based multinationals were able to sell corn and other products to Mexican consumers at a market price vastly below their cost of production. Of course, one impact of this was that it led to job losses, especially in the Mexican agriculture sector. However, another result of this was that it led to higher consumption of corn-based food and beverages, fundamentally altering food habits and dietary patterns in Mexico. Eating NAFTA (2018) closely examines the rapid rise of diet-related illnesses across Mexico and argues that they can largely be attributed to the rapid inflow of energy-dense, and nutritionally poor foods, a consequence of Mexico's entry into NAFTA. Gálvez also discusses the distributional impact of Mexico's entry into NAFTA, and writes about how these illnesses disproportionately affected Mexico's low-income and marginalized populations, many of whom are indigenous.

Gálvez's analysis suffers from numerous drawbacks. This review-essay is structured as follows; the first section provides a summary of the book, whereas the second section critiques various aspects of the book. The first issue I raise is that Gálvez provides readers with an odd treatment of comparative advantage, a highly contested and ambiguously defined notion based on a fundamental misreading of Ricardo's four numbers in Chapter 7 of the *Principles* (2004). On the one hand, Gálvez's interpretation of comparative advantage is off-putting because she interprets it as a deterministic process.¹ In general, international trade textbooks tell us that comparative advantage is a rule of specialization which Ricardo

¹ Gálvez often characterizes Comparative Advantage as "the logic of Comparative Advantage". For example, she writes, "Within the logic of comparative advantage, each country should produce what it does most efficiently and purchase the rest" (2018, p. 81). She also writes, "within logics of comparative advantage, Mexico, the ancestral birthplace of corn, need not continue to produce corn, but might be better served producing Volkswagens and Audis, and purchasing corn and other foods from foreign nations" (2018, p. 82).

allegedly offered in the Principles (2004), distinct and separate from "Absolute Advantage", which Adam Smith is said to have come up with in *The Wealth of Nations* (1904).² In fact, as we will see later, this belief that Smith and Ricardo offered two separate and distinct rules of specialization stems from a basic misunderstanding of Ricardo's four numbers.³ On the other hand, Gálvez's view of comparative advantage may create tensions from a humanist standpoint, since it reduces the role of human agency as merely being responsive to, or reactive to, things that are already happening 'out there.' By contrast, a more human-centric perspective would recognize the fact that social processes, including the process of capitalist development itself, is under the control of human beings, and that individuals can use their agency to build a more emancipatory and just society. The second section of this reviewessay also provide readers with an alternative discussion of concepts of efficiency and dependency, and discusses the implications of the new interpretation of Ricardo's four numbers developed by Morales Meoqui (2021), for topics such as Neo-Colonialism and Dependency Theory. Although Dependency Theory has its limitations, I argue that it is not wholly undesirable as a framework, and that it should be viewed as complementary to Marx's Capital (1990).

II. Summary of Gálvez's Book Eating NAFTA

The book begins with an overview of Mexico's ongoing public health crisis, spurred by Mexico's entry into NAFTA. Gálvez argues that the increased consumption of highly processed foods like sodas, chips, and candies; accompanied by higher healthcare costs, are responsible for dramatic increases in diet-related chronic illnesses across Mexico. Gálvez writes that between 1990 and 2013 "chronic kidney disease increased 276 percent, diabetes 41 percent, and ischemic heart disease [increased by] 52 percent" (2018, p. xii-xvii). Gálvez pins the blame squarely at NAFTA, and writes that "the influx of US corn, the growth of industrial corn production and processing, and the withdrawal of support from the Mexican government [has] meant that many small-scale corn growers can no longer make a living from the land" (2018, p. 40-41).

² Indeed, the latest version of Mankiw's introductory economics textbook continues to tell us that Ricardo advocated comparative advantage, whereas Smith advocated absolute advantage. In other words, the two figures advocated two distinct and separate rule of specialization (See Mankiw, 2021, p. 50-53).

³ For more, see Morales Meoqui (2021) and Morales Meoqui (Forthcoming).

The third chapter discusses the political and economic history of Mexico leading up to NAFTA. Starting with the Mexican revolution (1910-1920), Gálvez writes that "the Mexican state played a robust role in economic policy, trade, and development", and that "this role did not diminish until austerity measures, externally imposed as part of debt restructuring, obliged Mexico to unequivocally open its doors to outside investment and designate a smaller role for the federal government—an approach that endures today" (2018, p. 67). Gálvez also identifies the desire among Mexico's elected officials for their country to "modernize," as an indication of the nation's progress. She writes, "Mexico's federal elected officials... [long] viewed the countryside as a place of backwardness, and the nation's cities as sites of modernity" (2018, p. 66). In the second section of this review-essay, we return to this point and examine the relationship between modernity and the fetishization of efficiency more closely. The third chapter also discusses how the Mexican revolution led to the development of communal land ownership, known in Mexico as the *Ejido system*. Mexican accession into NAFTA drastically altered Mexican property laws to harmonize it with those of Canada's and the US (2018, pp. 72-73). The chapter ends with a discussion of Neo-colonialism and Dependency Theory, where Gálvez writes that NAFTA initiated Mexico's march towards import dependency. I examine this claim in detail in the subsequent section, where I take up the notion of dependency more rigorously, and provide a critique of Dependency Theory.

The fourth chapter provides a public health-oriented discussion of the impact of Mexico's entry into NAFTA, including increased exposure to chemicals that cause weight gain and alter organ function. Gálvez discusses a phenomena known as *Nutrition Transition*, a process where lower- and middle-income countries shift away from a nutrient-rich diet, towards a western-diet; diets that typically contain more processed foods high in sugar, fat, salt, low in fibre and less nutrient-dense. Indeed, Gálvez argues that "*Mexico has come to bear the 'double burden' of malnutrition alongside diseases marked by caloric excess,*" since it has exacerbated uneven dietary development between Mexico and the U.S (2018, p. 101). Gálvez discusses changes to Mexico's regulatory regime that eliminated many barriers on the use of chemical inputs. She writes, "when Mexico signed NAFTA, it agreed to adapt to the United States' regulatory environment, opening the way for the heavy use of chemical inputs in farming and food processing" (2018, p. 107). Gálvez also discusses the heavy usage of antibiotics and chemicals in industrialized food production, which many in Mexico viewed as a necessary aspect of a modern food system (2018, p. 111). Gálvez writes about the increasing influence of US corporations on Mexico, writing, "corporate interests have

perhaps reached their highest level of influence in the neoliberal era. The neoliberal political and economic policies (...) promote disinvestment in the public sector and propose market solutions to society's problems" (2018, p. 97).

The fifth chapter discusses Mexico's policy response towards skyrocketing rates of obesity, and other diet-related illnesses, which Gálvez argues have favoured multinational food corporations, while simultaneously deflecting the blame to individuals and historically marginalized poor and indigenous populations. Gálvez makes a strong case, that "the shifting of culpability and responsibility for chronic disease to individuals, within a frame of self-care and individual responsibility, serves corporate interests and profit motives" (2018, p. 125). Here, however, Gálvez neglects a deeper discussion of the underlying profit motive which drives many firms to externalize costs in their pursuit of maximizing profits; we return to this later in the subsequent section. Gálvez does, however, discuss the case of the medical journal The Lancet, by contrasting two pieces. She writes, "A 2011 special issue on obesity of The Lancet, one of the oldest and most respected peer-reviewed medical research journals, was clear and incriminating: 'The simultaneous increases in obesity in almost all countries seem to be driven mainly by changes in the global food system, which is producing more processed, affordable, and effectively marketed food than ever before. This passive overconsumption of energy leading to obesity is a predictable outcome of market economies predicated on consumption-based growth" (2018, p. 127). However, she writes that "by 2015, The Lancet had shifted toward a greater emphasis on the individual." She also writes that by 2015, the journal "moved away from laying the blame for the rise in diet-related illness on the expansion of markets for processed foods, market-based economic policies, and changing food systems, and instead hedged with language about multifactorial causes and multipronged solutions" (2018, p. 128). Gálvez also discusses Mexico's attempts to implement a soda tax, which she says was "publicly opposed by large multinational food and beverage corporations" (2018, p. 129). Although the tax was eventually approved by the Peña Nieto administration, Gálvez argues that it was insufficient to "to stem the tide of dietrelated illnesses, the industrialization of the Mexican diet, and the domination of the Mexican economy by corporations" (2018, p. 135).

The sixth chapter considers alternative etiologies (sources of origin) of diet-related illnesses, such as migration-induced trauma and stress. Gálvez argues that the onset of diabetes and other diet-related illnesses amounts to a form of 'structural violence', which

disproportionately affects marginalized Mexican populations. Gálvez also discusses changes in food habits, writing "migration was precisely part of an effort to free oneself from the constraints of traditional patriarchal living arrangements. So, eating prepared food, eating out, purchasing instead of preparing food, were sometimes metonyms for making 'progress' in one's migration project. All of these contribute to changes in foodways that migrants experience and often accelerate" (2018, p. 168).

The seventh chapter discusses how food marketers and producers manipulate cultural associations between food, status, identity, as well as ideas about the past to reach a bigger audience. Gálvez writes that "eating is a repository for cultural expression, and for aspirations," and that "migration intensifies nostalgia for specific places and tastes, especially when immigration law prevents free circulation between places of origin and destination, and immigrants invest no small amount of effort in obtaining or re-creating" (2018, p. 176). Afterwards, Gálvez discusses how some restaurants in the west, such as Williams-Sonoma and McDonald's, will often appropriate certain ingredients; like watercress, and dishes, like the Tamale, by detaching it from the ritualized contexts of its preparations, and instead offering boutique, elite versions of such dishes, which are then sold at a premium. She also discusses how soda companies like Coca-Cola, "expand and corner the market in rural and indigenous communities by selling soda at a lower price in rural communities than in cities" (2018, p. 187). She argues, "proliferation of soda into many aspects of life, including and beyond ritual, is repackaged and sold as a 'cultural' problem. This creates space for the marketing of soda and processed foods as counterpoints to 'traditional' ways of life for the modern-minded, and paradoxically, as a tie to 'tradition,' exploited by marketers to associate their products with nostalgia and cultural significance for 'traditional' communities " (2018, p. 188).

Gálvez ends the book by writing that the rise of diet-related chronic illness in Mexico is not "an unintended consequence or a side effect of the economic and political changes wrought by NAFTA" (2018, p. 192). Rather, she argues that they are the "logical result of the prioritization of foreign direct investment, industrial agriculture, theories of comparative advantage, and a specific notion of development that sees no role for small-scale agriculture" (2018, pp. 192-193). Gálvez ends by writing that the blame lies squarely with Neoliberalism, an institutional framework characterized by strong private property

rights, free markets, and free trade, and that "the most relevant place to see this is in agricultural policy" (2018, p. 195).

III. Critique of the Book *Eating NAFTA*

In this section, I raise several issues with Gálvez's presentation of a variety of different topics throughout the book. I start by pointing out major problems with Gálvez's treatment of Ricardo and comparative advantage. I then raise issues with Gálvez's discussion of efficiency, followed by a critique of Dependency Theory.

David Ricardo vs Comparative Advantage

Although Gálvez correctly identifies NAFTA as the main impetus for the rapid growth in diet-related illnesses across Mexico, Gálvez provides readers with an odd discussion of "comparative advantage," which she characterizes as 'the logic of' or 'the mantra of' comparative advantage (See 2018, p. 77, pp. 81-82, p. 125, and pp. 193-195). This section aims to show to show that Gálvez effectively attacks a straw-man of Ricardo and the classical free trade position. Unfortunately, many critics of free trade continue to equate modern Comparative Advantage Theory, found commonly in textbooks, with Ricardo's Theory of Foreign Trade in the *Principles* (2004). Novel findings by Morales Meoqui (2021, pp. 4-5) reveal that the notion of "comparative advantage" is actually based on a long-running and fundamental misreading of his four numbers–the famous numbers Ricardo uses to depict barter trade between England and Portugal in Chapter 7 of his *Principles* (2004).

For more context, recall that contemporary economics textbooks, such as the latest edition of Mankiw's *Principle of Economics* (2021), tell us that the driving force of specialization is comparative advantage (2021, pp. 50-53). It also tells us that "gains from specialization and trade are based not on absolute advantage but on comparative advantage" (2021, p. 52). Similarly, the latest international trade textbook by Krugman, Obstfeld & Melitz tells us that "a country has a comparative advantage in producing a good if the opportunity cost of producing that good in terms of other goods is lower in that country than it is in other countries" and that "trade between two countries can benefit both countries if each country exports the goods in which it has a comparative advantage" (2018, p. 48). In other words, mainstream economics tells us that Smith and Ricardo were advocates of two separate &

distinct rules of specializations; Smith with his Absolute Advantage theory, and Ricardo with his Comparative Advantage theory. In his latest paper, Morales Meoqui makes a strong case that this firmly held belief in fact stems from a basic misunderstanding of Ricardo's four numbers, and that both Ricardo and Smith were advocates of the same rule for specialization; that is *"The Classical Rule for Specialization"* (See 2021, p. 8). The classical rule stipulates that one should not attempt to make a commodity that costs less to buy, and that it is generally beneficial to import commodities whenever they are bought more cheaply than what their internal production would cost (See 2021, p. 15).

Morales Meoqui's findings suggest that the real genesis of this famous contraposition, absolute vs comparative advantage, actually dates back to John Stuart Mill's misreading of Ricardo in his *Essays on Some Unsettled Questions of Political Economy* (1844).⁴ Following Morales Meoqui, I provide an accurate rendering of Ricardo's numerical example in table-form below:

Table 1: Ricardo's four numbers

	Cloth	Wine
England	100	120
Portugal	90	80

Source: Author's work based on Morales Meoqui (2017; 2021; Forthcoming).

Ricardo's numerical example depicts a barter trade between England and Portugal, where two commodities are exchanged, cloth and wine. The four numbers which Ricardo uses to make his case, represent the *quantity of labour needed in a yea*r, in order to make *unspecified amounts* of cloth and wine for each country.⁵ Note that this interpretation of the four numbers *strongly* diverges from modern textbook formulations of the four numbers, which either uses

⁴ It should be noted that Morales Meoqui is not the only one to have discovered this, and that these discrepancies were discovered earlier by various Political Economists like Dr. Tabuchi, or the late Dr. Yukizawa (1924–1980) in the 1970s. For more see Morales Meoqui (2021, pp. 12-15), and Tabuchi's chapter "*Comparative Advantage in the Light of the Old Value Theories*" in Shiozawa et al (2017, pp. 265-280).

⁵ Emphasis added by the author. For more, see Morales Meoqui (2017, p. 38; 2021, p. 8; Forthcoming, pp. 2-3).

the concept of opportunity costs or "unit labor coefficients."6 Indeed, the opportunity cost based formulation of Ricardo's four numbers was actually developed by Gottfried von Haberler (1900-1995), well after Ricardo's death. Von Haberler reformulated Ricardo's numerical example, to circumvent what he presumed was Ricardo's theory of value.⁷ It is also striking to note that the term "opportunity cost" does not appear once in Ricardo's Principles (2004). Arguably, the concept of opportunity cost does not belong to classical economics as a whole, as it was developed well after the deaths of Smith and Ricardo.⁸ An accurate understanding of the four numbers also reveals that, even though both goods are producible in England and Portugal, only one country, England, has a production cost advantage in Cloth.⁹ This is in striking contrast to popular textbook depictions of Ricardo's numerical example, where Portugal is shown to have a lower cost of production with respect to Cloth. Furthermore, this interpretation is based on a very different logical foundation than the textbook "Ricardian" model. Ricardo's numerical example, is not a model comprised of various sets of assumptions. Unlike the so-called "Ricardian" model, Ricardo's numerical example does not rely on unrealistic theoretical assumptions, which are actually the characteristic feature of the so-called "Ricardian" model; assumptions such as zero transportation costs, full employment, and perfect internal mobility of the factors of production. Since these assumptions cannot be attributed to Ricardo, there is no sense in showing the extent to which they are superficial. Indeed, as Morales Meoqui writes, Ricardo never makes these assumptions, many of which are exclusive to the textbook "Ricardian" model.¹⁰ Furthermore, it is also important to recognize that the "Ricardian" model only uses one factor of production, labour; whereas Ricardo makes numerous references to capital throughout the Principles (2004).

⁶ For more see Krugman, Obstfeld & Melitz (2018, p. 47, pp. 48-52, and pp. 63-65), and Mankiw (2021, pp. 50-55).

⁷ Von Haberler tried to circumvent Ricardo's theory of value because he associated it with "the" Labour Theory of Value, which many Austrian or Libertarian-leaning economists consider to be flawed or "internally inconsistent". The question of how to define "the" or "a" Labour Theory of Value, and whether the Physical Quantities framework, developed by Pierro Sraffa (1898-1983), is attributable to Smith, Ricardo, or Marx is not explored in this paper.

⁸ The concept of opportunity cost was likely conceived by Frederic Bastiat in 1851. However, Friedrich von Wieser (1927) is generally considered to be the contemporary populariser of the term.

⁹ Morales Meoqui makes a convincing case that Portugal did not have productivity advantages over England in cloth-making. For more see Morales Meoqui (2021, pp. 8-15; Forthcoming, pp. 10-15).

¹⁰ Note that only when the four numbers are defined as opportunity costs, one can properly say that the model was developed by Haberler. Various unrealistic assumptions are also present in other versions of the textbook trade model.

In light this understanding of Ricardo's four numbers, numerous problems appear to emerge with Gálvez's discussion of "comparative advantage" in Eating NAFTA (2018). On the one hand, since there is very little textual evidence to suggest that David Ricardo was an advocate of Modern Comparative Advantage Theory, as we have come to know it, Gálvez effectively fails to distinguish Ricardo from reformulations of his theories, and effectively misattributes ideas to Ricardo which he never held. Indeed, one of the biggest irrationalities of Modern Comparative Advantage Theory is that it recommends countries to specialize in products in which have a "comparative advantage", i.e., lower opportunity costs; for example, Ghana should produce cocoa, Brazil should produce coffee, Germany should produce cars, etc. It might even recommend for countries to re-orient their entire economy, towards the production of such goods. In its most extreme form, which critics have often picked up, it tells countries to specialize in one commodity. In contrast to this, Ricardo's theory of foreign trade says nothing about a country specializing in one product or a particular sector! Indeed, partial specialization could be the result of some products being cheaper to import than to produce locally. On the other hand, Gálvez's deterministic formulation of "comparative advantage" may inadvertently convey to readers a sense of *inevitability*; that the world is governed by deterministic laws, and that certain things are bound to happen. In the context of NAFTA, the damaging implication of this view is that Mexico's public health consequences were somehow inevitable. In a strict sense, the consequences of the US dumping corn into Mexico were entirely predictable. However, the essential point that I am making is that many readers, especially humanists, may find this deterministic perspective objectionable, because it neglects the role of human agency in shaping the world around us, including the capitalist system as a whole.

Mexican Modernity and the Fetishization of Efficiency Above Other Values

This section raises concerns with Gálvez's discussion of efficiency, defined as the ratio of investment and effort to yield (2018, pp. 68-72; 2019). Unfortunately, this single definition is a little bit simplistic, as efficiency can be conceptualized in various ways. So, while Gálvez is quite right in suggesting that small-scale agriculture in Mexico was deemed to be 'highly inefficient' by countries like the US, or the European Union, conceptualizing efficiency in other ways can help us to understand why this is the case. One notion of efficiency which Gálvez neglects to discuss, is the idea of Pareto Efficiency. Pareto Efficiency is perhaps the standard benchmark neoclassical economists use, including contemporary international trade

economists in the neoclassical tradition, to evaluate the efficacy of any given policy intervention. Under the Pareto criterion, an outcome is said to be more efficient if one person is made better off, and nobody else is made worse off. A big issue with the Pareto criterion, among many others, is that it implicitly accepts *utilitarianism*, a consequentialist framework for evaluating well-being, as the appropriate starting point for evaluating public policies. Mainstream economists also tend to believe that there is a trade-off between efficiency and equity (see Morales Meoqui, 2010, pp. 127-133). Another view of efficiency, which we might call contractarian, emphasizes the efficient allocation of private property rights. This perspective focuses on how ownership and control rights are allocated in a contractual relationship, especially when contracts are deemed to be incomplete. According to this perspective, the initial allocation of private property rights dramatically affects economic efficiency, as well as the distribution of income. In this context, economists tend to emphasize efficient allocation of property rights, in order to mitigate market externalities.¹¹ However, if we accept Marx's conceptual framework in Capital (1990), then capitalists specialize by evaluating *relative cheapness*, i.e., by pursuing what Morales Meoqui has termed, "The Classical Rule for Specialization". Thus, a technique of production is said to be more efficient if it has a lower cost of production. So, it is the desire of capitalists to seek lower production costs which causes them to shift their supply chains abroad. However, it is important to keep in mind that capitalists are not just seeking lower nominal salaries; they are also seeking higher labour productivity. Taking into consideration the various definitions of efficiency, Gálvez's discussion of efficiency vs self-sufficiency does not adequately address how the implementation of more efficient production techniques, such as sourcing an input from Country A vs Country B, leads to a country becoming less self-sufficient. Strictly speaking, there are no absolutely self-sufficient countries, and many countries which pursue

the objective of self-sufficiency, often through protectionist measures, end up becoming highly inefficient, resulting in a loss of welfare of workers.

Mexico's Alleged Import Dependency and a Critique of Dependency Theory

Gálvez writes that after NAFTA was implemented, Mexico became increasingly reliant on food imports, especially corn and corn-related products (2018, pp. 49-52). Gálvez points out that "A shocking 42 percent of Mexico's food supply is now imported from the United States"

¹¹ For more see Chapter 10 and Chapter 11 in Mankiw (2021, pp. 187-222).

(2018, pp. 86-87). Her assertion that NAFTA paved the way for Mexico's import dependency deserves scrutiny for several reasons. First, if we accept Gálvez's premise that Mexico become increasingly reliant on food imports after the signing of NAFTA, then this would appear to contradict the predictions of the Prebisch-Singer Hypothesis (see Prebisch (1950) & Singer (1950). If we take Prebisch-Singer Hypothesis to mean that developing countries, like Mexico, will export raw materials and primary products, in exchange for manufactured goods, then Mexico's alleged import dependency, if true, violates outcomes that one would expect from the Prebisch-Singer Hypothesis. Another significant issue with Gálvez's suggestion that Mexico became increasingly reliant on, or dependent on food imports from the US, is that it implicitly views dependency as a one-sided relationship; whereas some might argue that this perspective is inattentive to the inter-dependent nature of modern capitalist economies. In contrast to Dependency Theory, many have argued that modern economies are in a constant state of *interdependency*, with our economies being inextricably linked to one another (e.g., Bärtschi (1978). Some readers may also find Gálvez's usage of Dependency Theory problematic because it shifts the basic framework of analysis away from authoritarian human interactions in the workplace, to relationships of domination and subordination among countries; for example, Country A (Mexico) is subordinate to Country B (the US), as opposed to Marx's framework, where the working-class is being exploited by the capitalist class. In reference to underdevelopment and exploitation, Gálvez writes that "the development and prosperity of industrialized nations have rested entirely on the sacking and pillaging of poorer countries and regions" (2018, p. 83). Moreover, towards the end of the book, Gálvez writes that "current economic relationships between the United States and its neighbors to the south are based on unequal relationships and exploitation" (2018, pp. 197-198). Here, it is important to remember that Marx uses a very technical notion of exploitation, in order to refer to surplus labour, that is, labour performed by workers which is over and above what is necessary to produce commodities. In this respect, Marx considered exploitation to be the exclusive source of profit (see Kliman, 2007). In recent years, however, heterodox economists have started to advance models of cross-country exploitation, based on the unequal exchange theory (For more see Rubinić & Tajnikar (2019, 2020). So, while the relationship between certain countries can be considered exploitative, Marx's account of exploitation generally relates to the capitalist-worker, or employee relationship within the workplace.

IV. Concluding Remarks

The major strength of *Eating NAFTA* (2018) is that it does a very good job of highlighting the devastating consequences of US corn subsidies on Mexico's public health. Gálvez provides readers with an excellent discussion of how US agricultural subsidies have contributed to the drastic rise and spread of diet-related, non-communicable diseases such as obesity, diabetes, heart disease, etc. Gálvez does, however, neglect to mention how such agricultural subsidies are a waste of public resources from the perspective of the US public citizenry. Indeed, US agricultural subsidies have devastated Mexico, but such subsidies are also undesirable from the perspective of what is in the public interest of US citizens, since they are an enormous waste of public resources. Of course, as members of the World Trade Organization, both countries have an obligation to eliminate all tariffs and impediments to trade. Perhaps the biggest issue with the book, as we saw earlier, is with Gálvez's treatment of Ricardo and Comparative advantage. Overall, Gálvez provides readers a weak critique of free trade. Gálvez essentially mischaracterizes the classical case for free trade and attacks a straw-man of the classical free trade position. An accurate understanding of Ricardo's four numbers reveals that there is no meaningful sense in which the notion of "comparative advantage" is attributable to Ricardo, since, both Ricardo and Smith used the same rule for specializations; that is the Meoqui's "Classical Rule for Specialization". This new understanding suggests contemporary discourse on "comparative advantage" will be highly contextual, as the meaning of comparative advantage will vary depending on the context in which it appears. In many respects, the notion of "comparative advantage", which Gálvez interprets as a deterministic process, obfuscates the case for free trade. Gálvez's deterministic framing is also objectionable because it neglects the role of human agency in enabling social transformation. Moreover, while we should remain critical of free trade agreements, and preferential trade agreements, we should also be careful not to demand protectionist policies based on apparent shortcomings of classical free trade theory. In a highly globalized environment, protectionist policies can severely undermine the long-term well-being of workers. All production under capitalism entails the exploitation of workers, but the demand for protectionism has the potential to bolster reactionary and nationalist elements in capitalist societies.

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