

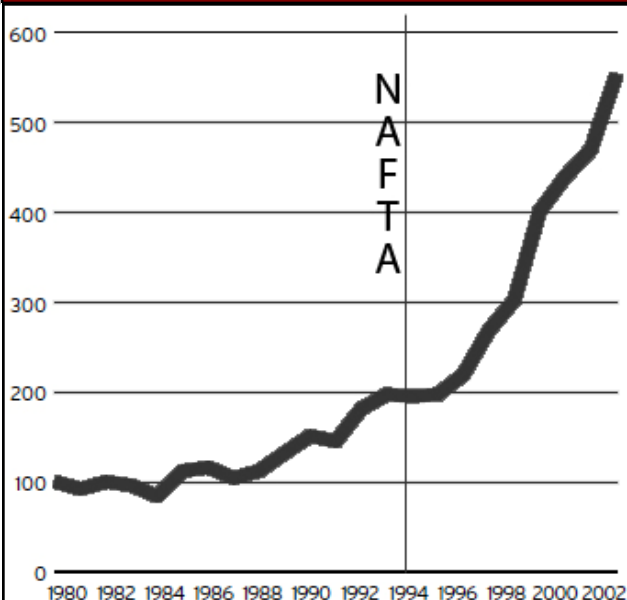


### NAFTA's Broken Promises Result in Increased Migration

When NAFTA was implemented in 1994 Mexicans were told that increases in trade, foreign direct investment, and exports would raise incomes and the standard of living in Mexico. The promises included reduced migration, more and better jobs, and lower prices for goods. After 15 years, the reality is the opposite. While trade and foreign direct investment have dramatically increased in Mexico, only 10% of the population has seen a higher standard of living, and millions have seen no other option but to migrate.

#### Migration from Rural Mexico to the U.S.

Household Members: 1980 = 100



Source: Analysis of data from Mexico National Rural Household Survey of 2002. Taken from Carnegie Endowment for International Peace report: *NAFTA's Promise and Reality*, pg. 51.

Ψ Since the 1994 passage of NAFTA, the number of Mexicans migrating each year to the U.S. has **more than doubled** (from 235,000 to 577,000 per year).<sup>2</sup>

Ψ **Two-thirds of the undocumented Mexicans** currently living in the U.S. (4.13 million people) came after NAFTA's implementation in 1994.<sup>3</sup>

Ψ Remittances are the second highest official source of income for Mexico, following petroleum, **rising from approximately \$3 billion in 1993 to over \$20 billion** for the last four years. One third of Mexican families depend on remittances.<sup>4</sup>

### Why so much migration? A look at the agricultural sector:

By eradicating food tariffs and quotas, NAFTA forced Mexican family farmers into direct competition with U.S. agribusiness—some of the world's largest grain exporters. Benefitting from government subsidies, genetic modification, economies of scale, and highly mechanized technology, the U.S. grain companies flooded Mexico's market. The influx of cheap U.S. grains under NAFTA resulted in the decimation of at least **two million Mexican farming jobs**.<sup>5</sup> This does not include an estimated **eight million farmers** who abandoned their land as subsidies, access to credit, and a guaranteed product price were stripped away as prerequisites for NAFTA's implementation.<sup>6</sup>



Ψ The U.S. subsidizes agriculture with **\$20 billion** each year compared to **\$3.5 billion** in Mexico,<sup>7</sup> enabling large U.S. grain companies to sell corn at prices 30 percent below Mexico's cost of production.<sup>8</sup>

Ψ Given highly mechanized technology, U.S. agribusiness can produce corn at a much higher rate than Mexican family farmers. While it takes the average Mexican farmer **17.8 days** of labor to produce one ton of corn, it takes the average U.S. grain company just **1.2 hours**.<sup>9</sup>

Ψ Every hour Mexico imports **\$1.5 million** worth of food; in that same hour **30 farmers** migrate to the U.S.<sup>10</sup>

## NAFTA Fails to Deliver Sufficient Employment in the Industrial Sector:

NAFTA and the economic policies that paved its way reoriented the Mexican economy away from subsistence agriculture and towards a low wage labor force for multinational assembly plants called *maquilas*. During the peak growth period from 1994-2001, 1.3 million jobs were created in the maquila sector, not nearly enough to offset jobs lost in agriculture, nor in Mexico's decimated domestic industry,<sup>11</sup> not to mention the 730,000 Mexicans who enter the labor market per year.<sup>12</sup>

### The Reality of the Maquila Sector:

- Ψ A line worker in a plant makes an average of **7-9 dollars a day**, equivalent to what an undocumented worker might make **per hour** in the U.S.
- Ψ The factories are notorious for abhorrent health and safety conditions<sup>13</sup> and **disregard for labor rights**.<sup>14</sup>
- Ψ An estimated **1/3 of the jobs** created in the manufacturing sector in Mexico have been lost since 2001 as a result of companies moving their production orders to Central America, Southeast Asia, and China, **where labor is cheaper**.<sup>15</sup>

### Rising Prices

NAFTA promised lower food prices. However, partially due to consolidated corporate control, prices for tortillas, which represent 75% of the nutrition for Mexico's 50 million poor<sup>16</sup>, **increased by 571%** during the first six years of NAFTA<sup>17</sup>, and by January 2007 had nearly tripled again.<sup>18</sup>

Not only tortilla prices have risen. The cost of the basic food basket in Mexico rose 60% in 2008 alone. Families now have to spend practically **10 times the daily minimum wage** of approximately \$3.80 to acquire basic products for their meals, personal hygiene, and home.<sup>19</sup>

Upward price pressure, combined with precarious, low-paid employment and job loss, leaves many Mexicans with few options for survival. Many make the choice to migrate to the U.S. in order to provide for their families.

### Take Action

NAFTA represents 15 years of failure resulting in economic desperation and migration. The story is the same for the U.S. and Mexico – larger corporations prosper while workers and small farmers flounder. It is imperative to redefine the trilateral economic and trade relationship, prioritizing the well-being of all people in the U.S., Canada, and Mexico. Join Witness for Peace and other organizations throughout the Americas on **October 12** as we visibilize the growing demand for trade that actually works for the majority. On *International Trade Action Day*, we are calling for NAFTA, CAFTA, and the Peru FTA to be repealed and replaced with a justice-oriented trade model. For more information, visit [witnessforpeace.org/october12](http://witnessforpeace.org/october12)



This fact sheet has been compiled from a Witness for Peace Congressional document available soon at [www.witnessforpeace.org](http://www.witnessforpeace.org). For a complete list of references, contact [mexico@witnessforpeace.org](mailto:mexico@witnessforpeace.org)

#### Sources

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<sup>2</sup> Researcher Martin del Campo, Universidad Iberoamericana, as reported in La Jornada "El TLC elevó cifra anual de migrantes, dicen investigadores" by Elizabeth Velasco C. 27 Mar 2009.

<sup>3</sup> Goodman, Peter S. "In Mexico, People Really Do Want to Stay." The Washington Post. January 7, 2007.

<sup>4</sup> Goodman.

<sup>5</sup> Alexandra Spieldoch and Ben Lilliston. "A Fair Farm Bill and Immigration." Institute for Agriculture and Trade Policy. 2007

<sup>6</sup> "Eight Million" according to Victor Suarez, president of the National Association of Rural Producers as quoted by Vigna, Ann "NAFTA hurts Mexico"

<sup>7</sup> Zermeno, Sergio, "Desolation: Mexican Campesinos and Agriculture in the 21st Century", NACLA Report on the Americas, Sept/Oct 2008

<sup>8</sup> Latin American Working Group (LAWG). "Are U.S. Trade Policies Driving Migrants North?" 2005, online

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<sup>13</sup> Kourous, George, "Workers' Health is on the Line, Occupational Health and Safety in the Maquiladoras", Border Lines, August 1998

<sup>14</sup> Davis, Benjamin, "Workers' Freedom of Association Under Attack in Mexico," Solidarity Center, June 2008

<sup>15</sup> (This data does not reflect the potentially devastating impacts of the current economic crisis) Public Citizen "NAFTA at Ten Series: The Ten Year Track Record of NAFTA on the Mexican Economy, Agriculture and Environment."

<sup>16</sup> Zermeno, Sergio, "Desolation: Mexican Campesinos and Agriculture in the 21st Century", NACLA Report on the Americas, Sept/Oct 2008

<sup>17</sup> Olson, R. Dennis, "Lessons from NAFTA: Food and Agriculture", IATP, Dec 2, 2008

<sup>18</sup> Olson.

<sup>19</sup> Wage calculated based on exchange rate in August 2009.

<sup>20</sup> Laura Gomez Flores, "Se disparó 60% la canasta básica en un año," La Jornada, January 26, 2009.