

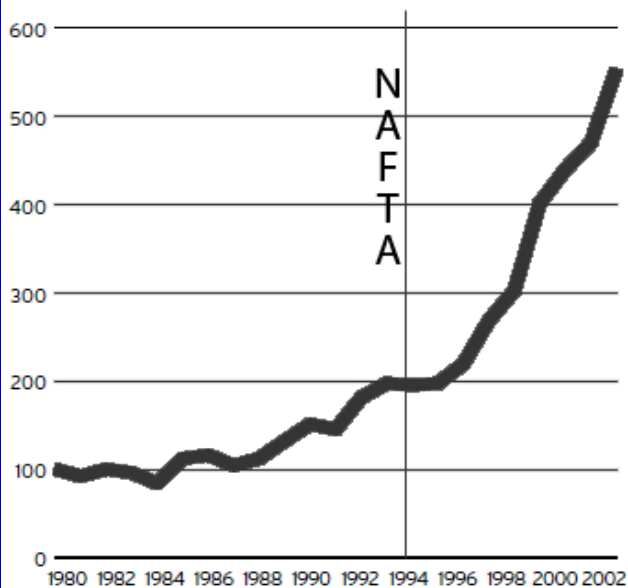


Fact Sheet: Unjust Trade and Forced Migration

NAFTA's and CAFTA's Broken Promises Increase Migration

When NAFTA was implemented in 1994, and CAFTA in 2006, Mexicans and Central Americans were told that increases in trade, foreign direct investment and exports would raise incomes and the standard of living. The trade agreements were supposed to reduce migration, create more and better jobs, and reduce prices for goods. While trade and foreign direct investment have dramatically increased in Mexico, only 10% of the population has seen a higher standard of living. **With millions of jobs made obsolete by cheap imports from the United States, many Mexicans and Central Americans have been left with no choice but to migrate north looking for work.**¹ For example, in CAFTA's first year 11,457 jobs were lost in El Salvador alone and the number of Salvadorans leaving for the United States increased from 507 per day to 740 per day.²

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.

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).³

Two thirds of the current population of undocumented Mexicans that live in the U.S., came after NAFTA's implementation in 1994.⁴

CAFTA did not create more jobs in El Salvador. Unemployment in the countryside increased by 71 % from 2005 to 2007. The majority of the unemployed find immigration to the U.S. to be their only alternative..⁵

Why is immigration on the rise? A look at the agricultural sector:

- The U.S. subsidizes agriculture with \$20 billion each year compared to \$3.5 billion in Mexico,⁸ enabling U.S. corn to be sold at prices 30 percent below Mexico's cost of production.⁹
- The influx of cheap subsidized grains from the U.S to Mexico under NAFTA resulted in the **decimation of at least two million farming jobs.**⁶
- Every hour Mexico imports \$1.5 million worth of food; in that same hour 30 farmers migrate to the U.S.¹⁰
- Under CAFTA thousands upon thousands of workers have been forced to migrate to Mexico or the United States because farming is not only no longer profitable, but cannot even sustain an already impoverished family.⁷



NAFTA Fails to Create Jobs in the Industrial Sector:

NAFTA and the economic policies that paved its way reoriented the Mexican economy from subsistence agriculture into providing a low wage labor force for multinational assembly plants called *maquilas*. During the peak growth period from 1994-2001, only 1.3 million jobs were created in the *maquila* sector, not nearly enough to offset jobs lost in agriculture, or in Mexico's decimated domestic industry,¹¹ not to mention the 730,000 Mexicans who enter the labor market per year.¹²

Rising Prices for Basic Necessities

- NAFTA and CAFTA promised lower food prices. However, with consolidated corporate control, prices for tortillas, which represent 75% of the nutrition for Mexico's 50 million poor¹⁶, increased by 571% during the first six years of NAFTA¹⁷, and by January 2007 had nearly tripled again.¹⁸
- Not only tortilla prices have risen. The cost of the basic food basket in Mexico rose 60% in 2008 alone. Families are spending practically 10 times the daily minimum wage of approximately \$3.80 to acquire basic products for their meals, personal hygiene and home.¹⁹
- Between 2005 and 2007 in El Salvador, the price of corn almost doubled, the price of beans increased by 52% and the price of rice increased by 45%.
- **The collision of rising prices and precarious, low-paid employment and job loss leave many Mexicans and Central Americans with few options for survival.** Many make the choice to migrate to the U.S. in order to provide for their families.

Unstable Jobs and the *Maquila* Sector

- A factory worker makes an average of \$7-9 a day in Mexico, equivalent to what an undocumented worker might make per hour in the U.S.
- To attract new factories, Mexico and the countries in Central America were pressured to provide special tax breaks. The factories are notorious for abhorrent health, safety¹³ and labor conditions.¹⁴
- 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.¹⁵

Take Action

NAFTA and CAFTA cause economic desperation and migration. The story is the same in the United States – larger corporations prosper while workers and small farmers flounder. The TRADE (Trade Reform Accountability, Development and Employment) Act would launch a new, more just era of trade by enforcing economic justice, human rights, labor and environmental standards. Join Witness for Peace's *Migrating Toward Justice* campaign as we demand trade and immigration policies that work for the majority by making sure this legislation passes. **To take action, visit www.WitnessforPeace.org/Trade**

Sources:

1 Vigna, Ann, "NAFTA Hurts Mexico" Agence Global, June 1, 2008

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4 Goodman, Peter S. "In Mexico, People Really Do Want to Stay." The Washington Post. January 7, 2007.

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6 Alexandra Spieldoch and Ben Lilliston. "A Fair Farm Bill and Immigration." Institute for Agriculture and Trade Policy. 2007

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9 Latin American Working Group (LAWG). "Are U.S. Trade Policies Driving Migrants North?" 2005, online Resource Center. February 13, 2004.

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

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