

The Effects of NAFTA on Mexican Displacement and Immigration

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*Lovely, beloved Mexico
If I die far from you
May they say that I'm asleep
And may they bring me back here.
-Mexico Lindo y Querido, a folk song*

When the North American Free Trade Agreement (NAFTA) was signed by the governments of the US, Mexico and Canada, coming into effect January 1st, 1994, it immediately established itself as a milestone in the ever-expanding process of globalization. It effectively eliminated tariffs between the three countries, allowing for goods to be imported and exported freely. In the context of an expanding global economy, as well as from the humanist perspective of allowing open trade and equal partnership, NAFTA was billed as a necessary element of the nurturing of positive relationships between the three countries. Then-president of Mexico, Carlos Salinas, literally toured the US, rallying anti-immigration groups around the idea that NAFTA would create more Mexican jobs, thus reducing illegal immigration, and preached to his own people that NAFTA would allow Mexico to become a “first-world nation”, attempting to capitalize on the appeal of global relevance.¹ However, in this essay I will argue that NAFTA was largely responsible for mass displacement among Mexican citizens, and therefore also the cause of the massive surge of illegal immigration to the US from Mexico during the 2nd half of the 1990’s and beyond. I will illustrate the onset of these problems in three sections- the disastrous effects of lowered tariffs on Mexican farmers,

¹ David Bacon, *Illegal People* (Boston, Beacon Press, 2008) p. 53

the resulting surge of immigration to the US (both legal and undocumented, along with the varying responses to this) and finally, the symbiotic relationship of the negative effects of NAFTA on both Mexico and the US.

Before the onset of NAFTA, Ralph Nader predicted that “800,000 farming families will be driven off their communal lands because of competition with low cost American agriculture.”² As of 2013, that number has turned out to be a low estimate- over two million farmers have now been displaced due to the effects of the agreement.³ The primary source of the Mexican farmers’ disadvantages was the sudden arrival of inexpensive, heavily subsidized American-grown yellow corn on the Mexican market. Despite the typically higher quality of Mexican grown corn (as anyone who has tasted the fresh, flavorful tortillas made from the indigenous white corn varieties can attest!) the cheaper price of the American corn made it more attractive to Mexican buyers. Prior to NAFTA’s inception, the comparative advantage the US held in mass corn production had little effect on Mexican corn farmers, as high tariffs made US-grown corn expensive to ship to (and purchase in) Mexico. But NAFTA eroded the 200% tariff on US corn, and Mexican farmers, especially small-scale corn farmers who didn’t receive any of the promised assistance funding from the government, began mass migration to urban areas in Mexico in an effort to find work.⁴ Some of these farmers had been encouraged

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<http://prospectjournal.org/2010/04/19/nafta-and-u-s-corn-subsidies-explaining-the-displacement-of-mexico-s-corn-farmers-2/>

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<http://www.nytimes.com/roomfordebate/2013/11/24/what-weve-learned-from-nafta/under-nafta-mexico-suffered-and-the-united-states-felt-its-pain>

⁴ <http://www.economist.com/node/10566845>

to start strawberry production, but with the previously mentioned lack of government assistance combined with the high cost and difficulty of beginning a strawberry crop (especially compared to corn) this was largely a non-option. But as the minimum wage in Mexico was still abysmally low in the mid-90's (over 60% lower than it had been fifteen years prior in the early 80's)⁵ those farmers who had moved to Mexico's larger cities began to immigrate in waves to the US, hoping to improve their standard of living. As of 2015, while the Mexican minimum wage has increased since the 1990's along with the US's minimum wage, the Mexican minimum for a *day's salary* is still lower than the US *hourly* minimum,⁶ and now, the corn farmers' primary means of income was being taken away in the name of globalization and free trade.

So, immediately after NAFTA, the displacement of the Mexican corn farmers via unfair price competition made the draw of immigration to the US stronger than ever, and the already growing numbers of illegal immigrants continued to rise. It rose above 5 million in 1995, just one year after NAFTA, eventually reaching nearly 9 million by 2000.

⁷ The responses to these immigration waves, particularly in the states bordering Mexico, often included elements of racism and fear of the other. One of the more glaring examples of this fear was California's vote in favor of Proposition 187, which established a system of screening Californian citizens for legitimacy and legality, as well as prevented proven (and sometimes even *suspected*) illegal immigrants from accessing various state services, including those as important as public healthcare and education. The bill was known as the "Save our State" initiative, an ironic plea, as

⁵ <http://www.bls.gov/opub/mlr/2000/11/art1full.pdf>

⁶ <http://www.newsmax.com/FastFeatures/minimum-wage-Mexico/2015/07/15/id/657317/>

⁷ <http://www.pewhispanic.org/2014/12/11/unauthorized-trends/>

undocumented immigrants contributed billions of dollars to the Californian and US economy. The year NAFTA was signed, a study published by the National Immigration Forum found that undocumented immigrants contributed about 7 billion dollars in taxes to the US annually, with an additional 732 million dollars in state and local taxes to California in particular.⁸ What, then, were the Californians in favor of 187 hoping to be saved from, if not their fear of the other? It may have been the fear of immigrants taking jobs for lower wages (which still would be massively higher than their previous wages in Mexico) but in the 90's, US job growth experienced a massive boom, with nearly 22 million new jobs created (which was more than any decade since the 1940's).⁹ Some opponents of 187 declared the basis of the screening process, which often involved a "suspicion clause", to constitute racism in and of itself, since there were no criteria for who would be checked other than race or skin color. Hispanic people were certainly far more likely to be "suspected" of illegal immigration than any other ethnicities, even other minorities, during that time.¹⁰ Since proposition 187 was passed, some anti-immigration sects have become borderline extremist, with some hate groups claiming Mexico is secretly planning on overtaking and "reclaiming" the entire American southwest.¹¹ By 2005, a bill was presented in the US senate by James Sensenbrenner (HR 4437) which would have made the approximately 12 million undocumented immigrants in the US national felons, despite all the billions of tax dollars they contributed to the economy.¹²

⁸ David Bacon, *Illegal People* (Boston, Beacon Press, 2008) p. 79

⁹ <http://jobenomicsblog.com/wp-content/uploads/2013/09/Total-New-US-Jobs-By-Decade.jpg>

¹⁰ <http://www.thecrimson.com/article/1995/1/6/proposition-187-racist-inhumane-pon-tuesday/>

¹¹ <https://www.splcenter.org/fighting-hate/extremist-files/ideology/anti-immigrant>

¹² <http://immigrationimpact.com/2014/04/15/undocumented-immigrants-contribute-billions-in-taxes/>

An expansive physical border wall was even proposed¹³, and today we see history repeating itself via the remarks of the GOP and far right, even with illegal immigration rates steadily *dropping* from approximately 1 million in 2005 (when Sensenbrenner proposed HR 4437) to 400,000 in 2013¹⁴.

In philosopher Seyla Benhabib's 2012 opinion piece in the New York times, she describes what she calls "associative obligations" which certain countries have to one another. An expansion on Kant's idea of a "universal right to hospitality", associative obligations imply the importance of assisting and protecting a country and its people when they have helped you, even if that help was accidental. As an example of these obligations, Benhabib points to the sheer numbers of Mexican immigrants- both legal and illegal- in California and the rest of the US, who not only contributed billions to state and federal economies, but also on whose (relatively low wage) labor the national agricultural system largely depended.¹⁵ So far, some steps have been suggested in congress to begin carrying out these associative obligations we have to Mexican immigrants, including those who are undocumented, but years of fearmongering and untruths put forth against immigrants in a post-NAFTA environment cause most of these efforts to crash against a wall of intolerance and racism, hurting both the immigrants and the US. Among these efforts is the DREAM act, or "Development, Relief and Education for Alien Minors", which proposed various multi-step programs intended for illegal immigrants to the US to achieve conditional or even permanent legal residency. Introduced in 2001 following a nationwide debate on immigration in the aftermath of

¹³ David Bacon, *Illegal People* (Boston, Beacon Press, 2008) p. 64

¹⁴ http://a3.files.psmag.com/image/upload/c_fit.cs_srgb.w_620/MTI3NTgyNTM2OTA5MzA5OTYy.png

¹⁵ http://opinionator.blogs.nytimes.com/2012/07/29/stone-immigration/?_r=0

both NAFTA and proposition 187, the DREAM act has yet to pass. If we fail in our associative obligations to Mexico, we lose as well. The immigrants working hard to maintain a living contribute enormously to our economy and often take jobs many of us are unwilling to do. In an effort to attract investment in Mexico, Mexican corporations have drastically lowered or removed work conditions, labor rights and environmental restrictions, which succeed in coercing some American companies to outsource to Mexico or even transfer operations to Mexico entirely.¹⁶ This not only takes jobs and money away from US citizens, but compels Mexico to lower its standards for work continuously. Today, the minimum wage in Mexico amounts to approximately \$4.19 US dollars, so far behind the rest of the world that it ranks last among the 34 countries comprising the Organization for Economic Cooperation and Development.

All of this goes to show that certain globalization efforts, such as NAFTA, can have disastrous effects which are often difficult to anticipate. Only one aspect of NAFTA- the elimination of the corn tariffs, which allowed US corn to flood the mexican market- led to massive displacement, then waves of illegal immigration, then a flooded US job market, and now entire presidential campaign platforms based on US citizens' fear of immigrants. The potential butterfly effects of globalization have to be carefully considered to the best of our abilities, and we cannot allow its lessons we have learned so far to be ignored.

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<http://www.nytimes.com/roomfordebate/2013/11/24/what-weve-learned-from-nafta/under-nafta-mexico-suffered-and-the-united-states-felt-its-pain>

