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

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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. 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.

The U.S. subsidizes agriculture with $20 billion each year compared to $3.5 billion in Mexico, enabling large U.S. grain companies to sell corn at prices 30 percent below Mexico’s cost of production.

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.

Every hour Mexico imports $1.5 million worth of food; in that same hour 30 farmers migrate to the U.S.
**The Reality of the Maquila Sector:**

- 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.

- The factories are notorious for abhorrent health and safety conditions and disregard for labor rights.

- 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**.

**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**, increased by **571%** during the first six years of NAFTA, and by January 2007 had nearly tripled again.

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.

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

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**Sources**

2. Researcher Martin del Campo, Universidad Iberoamericana, as reported in La Jornada “El TLC elevo cifra anual de migrantes, dicen investigadores” by Elizabeth Velasco C. 27 Mar 2009.
5. Alexandra Spieldoch and Ben Lilliston. “A Fair Farm Bill and Immigration.” Institute for Agriculture and Trade Policy. 2007
6. “Eight Million” according to Victor Suarez, president of the National Association of Rural Producers as quoted by Vigna, Ann “NAFTA hurts Mexico”
15. (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.”
18. Olson.