

NAFTA and Mexican Immigration

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It was supposed to be the magic wand that took care of immigration. The North American Free Trade Agreement was to make Mexico rich and create enough employment incentives to keep its people at home. It has been anything but. More than ten years after the signing of the treaty, economic growth has been anemic in Mexico averaging less than 3.5 percent per year or less than 2 percent on a per capita basis since 2000; unemployment is higher than what it was when the treaty was signed; and half of the labor force must eke out a living in invented jobs in the informal economy, a figure ten percent higher than in the pre-NAFTA years. Meanwhile, jobs in the runaway *maquiladora* industry that left the United States to profit from free trade and cheap labor commonly pay close to the Mexican minimum wage of U.S. \$7.00 per day, an amount so small in the now “open” Mexican market as to force people into informal jobs or across the border.

For sure, there have been “winners” in the process: large transnational corporations profit from the abundant labor, slack regulation, and open borders (open, that is, for industrial goods and capital, not people). All kinds of trinkets are produced south of the border with few government controls and with wages one-seventh or less those on the north side. Meanwhile, Mexico City looks just like Los Angeles, only poorer and more garish, full of Toys R Us, Office Depots, and TGIFs selling goods that all can see, but that only the upper and middle-class – about one-tenth of the population – can afford.

Peasant agriculture has been eviscerated by the arrival of agri-business and the lifting of restrictions on the sale of peasant land. Industrial employment has been eviscerated by the closure of hundreds of plants unable to compete with the transnationals under the new free-for-all trade regime. The response of peasants and workers thus displaced has been clear and consistent: They have headed north in ever greater absolute numbers. Before NAFTA, Mexican

undocumented Mexican immigration came mainly from four or five Mexican states and a limited number of mostly rural municipalities. After NAFTA, migrants originate in all Mexican states, practically all municipalities, and cities as well as towns and villages. A number of formerly vibrant places are now ghost towns, all their able adults having gone abroad; about one-third of all Mexican municipalities have lost population during the last decade, some by half or more. The counterpart of this hollowing out of the Mexican countryside is the growth of the Mexican migrant population in the U.S., much of it undocumented. From a purely regional presence in the West and Southwest, it has become a truly national phenomenon. States that barely had a handful of “Hispanics” in 1990 now count a sizable Hispanic population. In Georgia, for example, the Latin-origin population went from 1.7 percent in 1990 to 5.3 percent in 2000, a 312 percent increase due to an inflow of 300,000 persons, overwhelmingly from Mexico. Cities like Charlotte, North Carolina, whose “Hispanics” in 1990 were a few wealthy Cuban and South American professionals, now have upwards of 80,000, mostly undocumented Mexican laborers.

Media commentators and policy pundits attack the migrants themselves for their presence and greater visibility. They are dubbed “law-breakers” and accused of “taking jobs away from Americans”. But this is just another exercise in victim-blaming. Those truly responsible for the situation are the authorities who embraced free-markets as a cure for all economic and social ills. Government officials on both sides who promoted and signed the NAFTA treaty were either guilty of shortsightedness for swallowing the ideological pap purveyed by some academic economists about the “magic” of markets (from which these tenured economists are themselves well protected) or of deliberate deceit. Protected by ideological bromides about “open trade” and “trickling down wealth”, the balance sheets of many corporations and the salaries of their CEOs and CFOs have grown relentlessly healthier. As the decade progressed, they were increasingly

able to pay lower wages on *both* sides of the border; neatly bypass environmental controls and labor protection codes; and market their wares unhindered here and there. By the same token, state and local governments were set to compete with one another to keep or attract a few industrial plants in a futile race to the bottom.

Those who have paid for the corporate successes of NAFTA are the workers, Americans and Mexicans alike. Mexican workers have suffered the double whammy of diminished job prospects and rising prices at home, as their country is transformed into a consumerist society, a Disneyesque world for the few. American workers have suffered the double whammy of lost jobs in runaway industries and new competition from migrant workers displaced by the same economic model under which those industries increasingly profit.

Something needs to be fixed and fast, but we better not look to those economists and Washington think tanks who engineered the present disaster and who still continue to preach open markets as an unmixed blessing.