

Linking The Free Trade Area of the Americas and Immigration

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The flow of goods across borders and the sale of services by foreign businesses have expanded greatly in recent years due to innovations in technology, reductions in the cost of communications and transportation, and the implementation of “free trade” agreements. The proposed Free Trade Area of the Americas (FTAA), an agreement among all the countries of the Western Hemisphere (except for Cuba) for what would become the largest free trade area in the world, is just one component of this increasingly interconnected global economy. Yet this proposed agreement is unprecedented in its reach into many aspects of our lives and it is discriminatory in its impact. Immigrants are one of the groups that will be disproportionately hit if the FTAA is implemented as it currently is being negotiated. For various reasons that are outlined below trade agreements increase the pressure on people to migrate. Trade agreements also liberalize the mobility of capital across borders yet do not allow people, especially the poor and working class, that same right. Furthermore, immigration has become increasingly criminalized in the United States and immigrants are frequently targeted as scapegoats for the economic insecurity of the global economy. The FTAA proposes to liberalize public services, which will impact all of us, but especially the poor, many of whom are immigrants. Lastly, the FTAA blatantly grants limited power to people compared to the expanded power granted to private corporations.

To begin to understand the relationships between the FTAA and immigrants, let us first look at how trade agreements precipitate migration. The most straightforward relationship is the removal of tariffs and subsidies. When Mexico removed their controls on corn imports, US corn flooded the Mexican market leaving millions of small farmers bankrupt in Mexico. Under the heading of what is called competition policy, and with a goal of increasing competition, trade agreements such as NAFTA, and presumably the FTAA, eliminate other types of policies or regulations that may favor one producer over another. Again, after the passage of NAFTA, many local producers (both small farmers and other small businesses) in Mexico were subject to competition with large corporations who have a competitive advantage due to their size and their access to capital. Thus many local producers lose their livelihood and are forced to migrate in search of employment. In addition, since the passage of NAFTA, working conditions in the factories (maquiladoras) along the US-Mexico border have deteriorated. The Comité Fronterizo de Obreras (CFO) recently conducted a study to investigate NAFTA’s effect on life in the maquiladoras. Their research cites an increase in campaigns to undermine labor rights and social protections; as well as toleration of child labor, an intensification of the labor process, and the destruction of the border area with toxic industrial waste since the passage of NAFTA in 1994¹. In addition, the Mexican peso devaluation in December 1994 that left less buying power in the hands of Mexicans, combined with the passage of NAFTA that same year, increased the cost of living in Mexico by a frightening 247% while wages have decreased by 20%.² Who wouldn’t migrate?

Another major concern with respect to the FTAA is the inequality of mobility. As Maria Jimenez, from American Friends Service Committee, has pointed out, free trade agreements provide “legal flexibility for the exit and entrance of government officials, business owners, executive administrators, and ... technical labor, while limiting that of low-skilled labor and the international working poor or internationally displaced who are poor.”³ In other words, while investors are free to move products, services, and capital across borders, workers who move – whether in response to crisis or opportunity – still face legal restraints. In fact, the free trade theory that many cite as the rationale for agreements such as NAFTA and the FTAA actually requires that workers have the freedom to search for employment across borders. Thus, agreements like the FTAA open borders to goods and services without

¹ Comité Fronterizo de Obreras, *Six Years of NAFTA: A View from Inside the Maquiladoras*. (Issued by the CFO in cooperation with the Mexico-US Border Program of the American Friends Service Committee, October 1999) p. 3 - 5.

² *Ibid.*, p. 10.

³ Jimenez, Maria, an unpublished report entitled, “Mobility, Human Rights, and Economic Development: Lessons of the International Mexican Migrant Experience and U.S. Immigration Policies.” Copies of the complete paper are available from AFSC.

recognizing the need to allow for increased labor mobility at the same time. The agreement thus serves to further solidify structures that perpetuate inequality and poverty.

Unfortunately, as people become more insecure about their own economic livelihood coupled with a lack of knowledge of the mechanisms behind the changing economy, people tend to look for scapegoats. The immigrant community has borne the brunt of scapegoating in the US and the result has been a militarized border and the criminalization of immigration. Policymakers responded to peoples' fears and they built walls along the southern US border and detention centers to imprison immigrants. They limited access to asylum; increased border patrols at an unprecedented rate resulting in more immigrant deaths at the border; stripped away U.S. social welfare; and increased workplace raids that target undocumented immigrants and legal residents alike. In fact, migrant deaths at the border increased by a staggering 500% since 1994, the year NAFTA and Operation Gatekeeper, a strategy aimed at blocking traditional border crossing routes, commenced in California.⁴ As long as immigrants are blamed for the economic insecurity of the US working class, it will be difficult to build support for immigrant rights. Instead of leading all workers towards more economic security, the FTAA, if crafted like NAFTA, will deepen the economic crisis of the working class and the lack of support for the basic rights and dignity of immigrants, both undocumented and documented. This criminalization of immigration is shortsighted policy that caters to anti-immigrant sentiment and fails to look at the root causes of migration and the relation between the current trend of free trade, corporate globalization, and labor immobility.

Taking a look at domestic conditions for immigrants, the concerns regarding the FTAA are worrisome as well. To begin, the FTAA will most likely continue to undermine the economic security of workers just as NAFTA has done. Employers use the threat of "foreign competition" to keep wages down and benefits few. This threat has undermined union organizing and basic worker's rights. Secondly, the FTAA is expected to liberalize the service sector of member countries. What this means is that corporations from across the Western hemisphere will have unprecedented strength in challenging publicly funded services of the government such as education, social services, social security, museums, libraries, energy, water services, environmental protection, and much more. Furthermore, if the FTAA follows NAFTA guidelines with respect to the investor-state provisions, then private corporations will be given the power to sue governments for policies that cause a loss of profit as outlined in the trade agreement. This means that domestic policy will be undermined by trade agreements that are negotiated without public input and by trade ministers who are not accountable to the public thus fundamentally altering the dynamics of domestic policymaking stripping the citizenry of power to affect domestic legislation. For example, in 1998 S.D. Myers, a US company, sued the Canadian government for loss of profit from a 1995 – 1997 Canadian ban of the export of PCBs, highly toxic carcinogenic compounds. The NAFTA tribunal ruled in favor of S.D. Myers and the amount of compensation is estimated to be in the range of \$40 to 50 million dollars.⁵ For all of us, including immigrants, this is a betrayal of basic democratic rights, but is especially disempowering to those within the community who have less resources.

In conclusion, trade agreements cause an increase in migration, perpetuate an inequality of mobility, increase economic insecurity for the working class, and propose that services provided by the government be opened up for private enterprise profit. In April of 2001, the leaders of all the countries in the Western Hemisphere (except for Cuba) will be meeting in Quebec City, and the FTAA tops their agenda. At the same time, a Peoples' Summit is being organized to unify the voices of immigrants, labor unions, indigenous leaders, and other people representing civil society. Immigrants are key stakeholders in civil society and their voice is needed in constructing a peoples' alternative to the FTAA. In response to both the proposed FTAA and the correlating criminalization of immigration, we need to facilitate the public's understanding of the link between trade policy and domestic immigration policy and to develop solid alternatives that promote a trade policy that facilitates sustainable and equitable development for all.

⁴ www.stopgatekeeper.org

⁵ Knight, Danielle, "Trade ruling undermines environmental agreements, warn conservationists," cited in United for a Fair Economy, *FTAA for Beginners*, January 2001.