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### Neoliberal Globalization, NAFTA, and Migration: Mexico's Loss of Food and Labor Sovereignty

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# Neoliberal Globalization, NAFTA, and Migration: Mexico's Loss of Food and Labor Sovereignty

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*This article explores the way in which Mexico's countryside was affected by the country's economic integration to its northern neighbors since the start of the North American Free Trade Agreement (NAFTA). Mexico's political technocracy placed its bet for economic growth on the comparative advantage of cheap labor, a losing bet: Mexico's asymmetrical integration into the North American economy, combined with neoliberalism, had a detrimental impact on its food self-sufficiency, its labor sovereignty, and substantially increased its out-migration rates. The article explores the relationship between food self-sufficiency and labor sovereignty in this process. The main thesis is that food self-sufficiency is a condition for a country to enjoy "labor sovereignty"—the ability of each nation to provide with living wages for a vast majority of the population. Of the three NAFTA nations, Mexico is the least self-sufficient, and hence the one that expels the largest rate of migrants.*

**KEYWORDS** *peasant economy, development, agriculture, food sovereignty, migration*

## INTRODUCTION

This article explores the way in which the U.S. economy has faced the crisis of the Fordist stage of capitalism since the 1970s by focusing on a cheap-labor strategy to restore profitability. By endorsing the North American Free

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Trade Agreement (NAFTA), U.S. officials ensured access to an abundant supply of labor south of the border. For their part, Mexico's political technocrats placed their bet for economic growth on the comparative advantage of cheap labor. This has been a losing bet for the workers of both countries: Neoliberalism and Mexico's integration into the North American economy—without free labor mobility—have had a detrimental impact, particularly on Mexico. The counterpart of its loss of food self-sufficiency by growing dependency on U.S.-grains imports has been the loss of labor sovereignty. Defined as the ability of a nation to generate employment with livable wages for the vast majority of the population, labor sovereignty has been a casualty of Mexico's economic integration with its northern neighbors. The most visible result of this loss has been substantially increased out-migration rates, with vast numbers of displaced Mexican workers flowing into the United States in search for work, most often unauthorized or undocumented.

More specifically, this article explores the relation between food self-sufficiency and labor sovereignty in the midst of Mexico's integration to its northern neighbors, especially to the U.S. economy. It compares and contrasts food self-sufficiency in the three NAFTA countries around production for the domestic market, per-capita calorie consumption, and overall food trade. The main proposition is that food-self-sufficiency is a condition for a country to enjoy labor sovereignty, as defined above. Of the three NAFTA nations, Mexico is the least self-sufficient, and hence the one that expels the largest rate of migrants. Although Mexico's exports of fruits and vegetables to the United States and Canada increased substantially since the late 1980s, this sector did not generate nearly enough employment to absorb bankrupted peasants. Therefore, Mexico has become dependent on the importation of basic-subsistence grains, which used to be produced by smallholder peasant farmers. Many peasants became redundant in the Mexican economy, and their only way out, literally, has been to migrate to the United States or Canada. Although most migrants to Canada (a small minority) enter that country as part of state-sponsored guest worker programs (Otero & Preibisch, 2010), the vast majority of migrants to the United States do so as undocumented or unauthorized workers.

The presence of large masses of low-skill workers in the United States, authorized or not, raises huge issues of labor rights, discrimination, and exclusion. It has been documented that there is an inverse relation between numbers and rights (Ruhs & Martin, 2008): the more migrant workers there are in rich countries, the fewer their rights are, and vice versa. The fact is that employer demand for workers is "negatively sloped" with respect to labor costs, which means that more rights for migrants typically means higher costs. In North America, the United States tends to have much higher "numbers" than rights, whereas Canada tries to fit the Scandinavian model of fewer numbers and more rights. But numbers of guest workers in Canada have started to outpace the numbers of immigrants as permanent residents

or citizens as of 2006, which raises the question whether both of NAFTA's rich countries are converging toward the numbers side of the equation to the detriment of workers' rights.

One question about the numbers-rights tradeoff is what can human and labor rights policy makers and activists envision in addressing it? As is seen below, answers to this question will depend on the perspective one takes in migration debates. Although this article briefly addresses this concern, its main goal is to address the root causes of Mexico's out-migration: its growing food dependency and its consequent loss of labor sovereignty. Consistent with this focus, the main structural solutions to workers' rights would lie in fixing Mexico's agrarian structure. Yet, though this issue is not addressed, those concerned with human and labor rights will have to address its effects on migrants in the United States.

The first section offers an outline of how the U.S. crisis of profitability, associated with the exhaustion of the Fordist model of capital accumulation, was addressed by shifting the whole model into what came to be known as neoliberal globalization (Otero, 1996, 2004). The second section describes what the new agricultural division of labor looks like in North America, and how Mexico has lost its food self-sufficiency. Concomitantly, the loss of food self-sufficiency has also resulted in Mexico's loss of labor sovereignty. The third section sketches the main contours of migration debates in receiving and sending countries, highlighting the chief challenges for human and labor rights. Finally, the article draws some policy and practical conclusions for human- and labor-rights policy makers and activists.

## NEOLIBERAL GLOBALIZATION AND NAFTA

Economic development in the United States from the F. D. Roosevelt's era to the late 1960s was predicated on mass production articulated to mass consumption, with a primary focus on the domestic market. This stage of capitalist development in the United States has been referred to as "Fordism" (Aglietta 1979; Lipietz, 1987). It was predicated on a balance between mass production, on one hand, absorbed by mass consumption, on the other. Fordism consisted of a sort of economic pact between the state, unions, and corporations by which workers increased their productivity; but its fruits were shared to an important degree with workers. It involved the development of the "welfare state." Women and minorities, however, were for the most part excluded from the benefits of Fordism, a time during which union membership reached a high of about 30% of the labor force. Balancing mass production with mass consumption involved low unemployment rates (below 4%) until the late 1960s, and gross national product growth rates of about 5% (Otero, 1996). The percentage of unionized workers in the United States dipped to 12% by 1994, and then below 6% by 2011. One of the

few remaining unionized workers are state and municipal employees. Not only are these workers confronting huge cuts in their pay and benefits, they are also facing the stripping of rights to unionization. This drive is led by Republican governors in at least seven states, starting with Wisconsin in 2011 (“Wisconsin Governor Passes,” 2011).

The crisis of Fordism in the late 1960s and early 1970s was expressed as a crisis of profitability, as a consequence of an excess productive capacity in relation to effective demand. The productivity of U.S. workers, compared to those in other countries like Germany and Japan, was growing at a slower pace. This productivity-growth differential was eventually expressed in growing and unsustainable trade deficits between the United States and countries like Japan during the 1980s. Hence U.S. transnational corporations sought to relocate their manufacturing plants to the less unionized U.S. South and, increasingly, to cheap-wage countries like Mexico. This flow of investments into manufacturing in Mexico, however, reproduced and expanded the capital-intensive technologies that were necessary to compete internationally in the emerging global economy. Linkages between these investments and the rest of the Mexican economy were scarce (Sklair, 1989). This means that locally sourced components were few, if any, as most raw materials were imported from the United States or elsewhere. Similarly, the only market for Mexico-produced manufactures by transnational corporations lied mostly in the United States. In the end, the main goal of restoring profitability for U.S. transnational corporations was based on the exploitation of cheap labor (Cypher & Delgado-Wise, 2010; Delgado-Wise & Cypher 2007).

The internationalization of production led to what came to be known as “globalization.” Its peculiar character, it must be emphasized, was neoliberal: the attempt to give free rein to private investments in the market, while keeping the bearers of labor power—workers—rooted in their national states. An exception have been highly skilled workers, for whom special legal provisions were made to allow for a freer mobility, but not unrestrained. The process of globalization has signified the quadrupling of the world’s labor force since 1980. Reporting from a study by the World Bank, *The Economist* put it thus: “Weighting each country’s workforce by its ratio of exports to GDP, the IMF estimates that global labour supply has in effect risen fourfold since 1980 as China, India and once-communist countries have opened up” (“Smaller Shares,” 2007). Therefore, by the sheer strength of “market forces,” workers of the world have lost considerable bargaining power to capital. One macroeconomic result, even in the ten wealthiest countries, has been that the share of wages over gross domestic product (GDP) declined by several percentage points.

The neoliberal model of capital accumulation on a global scale shifted Fordism’s chief focus on national states to accumulation in the world economy at large. An initial reshaping of globalization took the form of building

large regional economic blocks like the European Union and NAFTA. Initially, it was not clear whether such regional arrangements would result in new regional protectionist fortresses beyond the nation state, or new regional conduits to neoliberal globalization. In the case of North America, it has been argued that NAFTA was an agreement through which the states involved tried to regulate the silent but ongoing process of economic integration (Del Castillo, 1996). Through the World Trade Organization (WTO), transnational capitalists have tried to insure that regional blocks would not become protectionist fortresses but facilitate the globalization of trade and investment (Sklair, 2002). And yet, the WTO has failed to break the protectionist barriers that the richer countries continue to have around their agriculture industries (Pechlaner & Otero, 2008, 2010). Mexico, however, unilaterally opened up its economy even ahead of NAFTA, starting in the late 1980s. The ravages of neoliberalism have been deeply felt in Mexico and the United States. Both countries have experienced a tremendous process of socioeconomic polarization resulting from the disarticulation of their economies. One expression of the ravages of neoliberalism and how it has contributed to the disarticulation of Mexico's economy is its food sector, to which we turn next.

### FOOD DIVISION OF LABOR

The contrast between the predominantly luxury imports of Canada and the United States with those of Mexico is notable: there is no doubt that Mexico is far more food vulnerable than the other two NAFTA partners. Consequently, of the three NAFTA countries, only Mexico has seen food prices rise significantly during the global food crisis, starting in late 2006. Canada has actually experienced a 0.6% food deflation, likely caused by the appreciation of its currency by about 30% since 2002. In addition, "Canada's prices may be kept low because the country is producing much of its own food—possibly too much," according to Bank of Nova Scotia senior economist Adrienne Warren (Schofield & Strauss, 2008, p. B1, B6). Due to reverse trends in its currency, which has been devalued significantly against other major currencies, price inflation in the United States was 4% in 2007 (Schofield & Strauss, 2008, p. B1). For the most part, however, Canada is also substantially self-sufficient.

As the World Bank's president, Robert Zoellick, told reporters from Bloomberg BusinessWeek about the food-price crisis: "The [2010 food] price hike is already pushing millions of people into poverty and putting stress on the most vulnerable, who spend more than half of their income on food" (Pooley & Revizin, 2011, p. 8). According to the United Nation's Food and Agriculture Organization (FAO), with Mexico being a "middle-income" country, its households spend close to 35% of their income on food. Still, any



price increases have a much more serious impact than they do in either Canada or the United States, where households spend on average 11% to 12% of their budgets on food. I thus focus on how Mexico has fared in the NAFTA-defined food division of labor.

Although Mexico unilaterally opened its borders for most products in the late 1980s in preparation for NAFTA, this agreement contained some selective protection and phase-out periods for various crops. Corn, beans, sugar, and milk were given the longest phase-out period of protection with 14 years, which ended in 2008. By 2003, most agricultural products became liberalized, contributing to stirring up a peasant protest movement (Bartra & Otero, 2009). Even the London-based conservative newsweekly *The Economist* ("Mexico's Farmers," 2002), an enthusiastic supporter of free-market policies, and *BusinessWeek's* correspondent in Mexico City (Smith, 2002), expressed their dismay over the Mexican government's meager support for its agricultural sector. These articles highlighted the international context of widespread agricultural subsidies throughout the advanced capitalist countries. In the NAFTA countries, "[r]elative to the value of national agricultural production, budgetary expenditures on farm payments during 1999–2001 equaled 15 percent in the United States, 10 percent in Canada, and 7 percent in Mexico" (Zahniser, Young, & Wainio, 2005, p. 2).

Agricultural trade liberalization in Mexico has caused a big shift to high-value fruit and vegetable production for export over that of lower-value food grains for the domestic market; imports that have heavy subsidies for U.S. farmers. As a result of such new division of labor, by 2003, Mexico had become dependent on the United States for the importation of some of its most critical foodstuffs, including maize and meat, two of the leading agricultural imports. Significant amounts of corn were first imported from the United States in 1989, a tendency that continued to grow until 23% of Mexico's corn supply was imported by 2007. Once completely liberalized, corn imports grew by 19 times in January 2007 over the same month of the previous year. It should be clarified that Mexico imports yellow corn, used to produce animal feed, high-fructose corn syrup, or ethanol; whereas it continues to be self-sufficient in white corn for food production. But though white and yellow corn should properly be considered two different products, the reality is that the usually lower import prices of yellow corn have also caused prices for white corn to fall for producers.

Trade liberalization rendered Mexico highly vulnerable to price fluctuations instigated in other countries. A dramatic example of this is the corn crisis triggered in 2006, when then U.S. President George Bush introduced a subsidy to produce corn-based ethanol in an effort to reduce his country's dependency on Middle Eastern oil. Whereas ethanol policy may well benefit U.S. and Canadian farmers, tortilla prices in Mexico suffered a 60% increase in early 2007 due to increased dependency on maize imports (Roig-Franzia,

2007). Price increases were also seen in wheat and its derivative products (e.g., bread, pasta, etc.), as many wheat farmers abandoned this crop in favor of corn to tap on its higher price. By 2008, subsidies and bad weather in several grain-producing countries generated the highest food prices in decades. Reports in the news contained warnings of popular uprisings in about 40 nations around the world (e.g., “Amenaza alza de alimento,” 2008).

A review of Mexico’s agricultural trade data from FAOSTAT confirms the conclusions of other studies of its food dependency and vulnerability: its trade balance in agricultural production has been in deficit since before the start of NAFTA, but it has increased considerably since 1994 (de Ita, 2007; González Chávez & Macías Macías, 2007). In particular, I agree with the definition of *food vulnerability* given by Humberto González Chávez and Alejandro Macías Macías (2007) as

the situation that characterizes countries, social sectors, groups and individuals who are exposed or are susceptible to suffer from hunger, malnutrition or illness from not having physical, economic, and sustainable access to sufficient, nutritious and culturally-acceptable food, or for eating unsafe or contaminated products. (p. 48)

Although this definition builds on the main elements of FAO’s “food security,” the proposed concept gives a more precise definition of *food vulnerability*. Although Mexico used to be self-sufficient and even export surpluses, NAFTA and neoliberalism turned it into a food-import dependent nation. By 2005, rice imports made up 72% of domestic consumption, whereas wheat imports were 59%, maize 23%, and beans 9% (González Chávez & Macías Macías, 2007).

Further, Mexico’s agricultural trade deficit with the United States is unreciprocated. Overall, since NAFTA has been in place, 84% of Mexican exports were destined to the United States, with a maximum of 89% in 2005 (González Chávez & Macías Macías, 2007, p. 58). The greatest grain imports to Mexico are soybeans, maize, wheat, barley, rice, and sorghum. Conversely, the main Mexican exports to the United States are vegetables (most notably, tomatoes, followed by green chilies and peppers), which have grown remarkably since the start of NAFTA; barley beer; and fruit (e.g., avocados, lemons/limes, and grapes). Although Mexican exports have indeed grown considerably, the main food suppliers of the United States continues to be the European Union, first, and Canada, second. Conversely, two main destinations of U.S. exports are Canada and Mexico, followed by Japan and the European Union (FAOSTAT, various dates, countries and commodities). In short, Mexico’s growing dependence on its northern neighbor is not reciprocal as its agricultural trade is considerably more diversified.

It may be expected that Mexican producers have benefited massively from the increased agricultural exports. In fact, only 20,000 of seven million



agricultural producers are the most dynamic, however. Although there are 32,000 firms in the food industry, only 1,692 engage in exports, and only 300 firms account for 80% of all exports (González Chávez & Macías Macías, 2007, p. 58). Another possible beneficiary of Mexico's increased imports of cheaper food are consumers, but as suggested, consumer food prices have actually doubled from 1993 to 2007 (e.g., up 733% for tortillas and 736% for white bread) in relation to general inflation (up 357%) since NAFTA's implementation. The minimum wage has deteriorated by 21% in real terms during the same period (González Chávez & Macías Macías, 2007, pp. 67–68). Therefore, unlike in Canada, Mexican consumers have not benefited from trade liberalization.

Last, though Mexico's employed labor force increased by 9.8% between 1998 and 2007, it decreased in agriculture by 23.97%, from 7.5 million people to only 5.7 million (González Chávez & Macías Macías, 2007, p. 68). Other sectors of the Mexican economy have not produced the expected employment opportunities to absorb this surplus labor, as new manufacturing and service investments are marked by capital-intensive or labor-saving technologies required for global competition. Consequently, Mexico has become the main contributor to international labor migration in the world: between 2000 and 2005, more than two million people left the country, mostly to the United States (Corona & Tuirán, 2006).<sup>1</sup> The outward-migration phenomenon for 21st-century Mexico has several consequences: for example, on the one hand, dollar remittances sent by migrants have become the second largest infusion of foreign currency into the economy after oil revenues (23 billion in 2006), which began to flatten in 2007; on the other, Mexico has also lost its "labor sovereignty," defined as a nation's ability to offer gainful employment to a majority of its workforce (Bartra, 2004). These rural unemployment trends have resulted in a worsening of inequality, measured by the Gini coefficient. They have also resulted in a worsening of per-capita consumption of proteins and calories by the Mexican population (González Chávez & Macías Macías, 2007, p. 75; Otero & Pechlaner, 2009).

In sum, the invasion of U.S. grain has led to the bankruptcy of a huge number of Mexican peasants, whereas the increase in vegetables and fruit exports from Mexico has not been enough to generate employment for peasants that became redundant. Unfortunately, Mexico's bid to use these "liberated" workers to attract foreign direct investment showed its failure in the 2001 U.S. slowdown, when Mexico lost 600,000 jobs during the first 6 months of the year as dozens of maquiladoras fled to even cheaper labor heavens, including China. This pattern repeated itself, only much more dramatically, with the deeper U.S. recession of 2008 to 2010. Although the recession had been officially over since 2009, unemployment rates have remained persistently high, well above 9% by 2011 ("Workers (and Business)," 2011). In short, the only ones who have benefited from the export bonanza have been the more capitalized agricultural entrepreneurs,

and U.S. firms and consumers. Agricultural liberalization, then, has provoked the greatest population exodus that Mexico's countryside has experienced in its history. As a result, far from having achieved increasing living standards for Mexicans, NAFTA has actually increased the country's food vulnerability and dependency, a point not lost on its detractors. It is this very confluence of negative impacts that sparked the widespread peasant resistance movement and may yet influence the future direction of neoliberal globalization in North America.

### MIGRATION DEBATES: HUMAN AND LABOR RIGHTS

The economic and demographic factors behind international migration are well established: advanced capitalist countries, located mainly in the geographic North, have low or negative natural population growth, so to keep economic growth at a stable pace they must rely on migrant or immigrant workers. This demographic characteristic leads to a growing thirst for labor in the North, which citizen workers no longer want to perform (harsh and low paid menial work), becomes a powerful magnet for migrants from less developed countries. Conversely, developing countries tend to have larger shares of younger people, with rates of economic growth that are not high enough to absorb these workers productively and at livable wages. The latter involves a virtually inexhaustible supply of potential migrants from developing countries, given their wide gap with wealthier countries, located mostly in the North (Castels & Miller, 2003; Portes & DeWind, 2004). Migrant social networks become self-sustaining, even after initial economic motivations, further bypassing official efforts to channel or suppress migrant flows (Portes & DeWind, 2004, p. 831).

Furthermore, sending-country governments have no incentive to stem migration flows, as they serve as a safety valve to alleviate political pressure and financial resources via remittances are seen as helpful to sending countries. Ultimately there is also an ambivalence of states and policies in receiving countries: though native populations are generally hostile toward migrants, this is not universal, and hostility tends to be diffuse and unorganized; in contrast with the highly focused efforts of migrants and their employers. Yet states are not impotent; they are the key institutional actors, but their policies can have paradoxical consequences. For instance, "get tough" policies implemented in the United States since the Clinton administration (1992–2000) have led to minimize circular migration, so that migrants tend to stay and bring their families, thus consolidating the networks that enhance future migration (Hellman, 2008; Portes & DeWind, 2004). The "liberal paradox" consists in the fact that receiving countries are by and large democracies, so civil-society organizations can pit their judiciary systems,

which defend human rights for all, against their executive branches if they try to summarily violate migrant's human rights.

In sum, it is a fact of life for advanced capitalist countries to require more workers than their populations can provide, but there is considerable ambivalence in their population about accepting new immigrants or guest workers. The question in terms of labor and human rights is whether these workers are incorporated into destination societies on a parity basis with the rest of their citizens. Before addressing this question, however, let us first establish what have been the main research questions and debate around migration in receiving or destination countries. This is followed by a discussion of perspectives on the effects of migration on sending countries.

### Migration Seen from Receiving Countries

There have been several gatherings of migration experts in the United States, addressing the key questions around this theme. In 1996, for instance, there was a conference that Alejandro Portes and Josh DeWind (2004) characterized as having centered around three main themes focused on migration to the United States: what motivates people to migrate, how are migrants changed, and finally what are the impacts on receiving societies. Citing Hirschman et al., Portes and DeWind (2004) rephrased the latter topic as follows: "What impacts do immigrants have on American life and its economic, sociocultural, and political institutions?" The phrasing of this question seems to imply that migrants have a direct causal impact, on their own, on "American life" or any receiving society. Yet the question should be rephrased in relational terms, given that whatever impact migration has depends on the origin and types of migrants, as well as on each receiving society's modes of incorporation of migrants: migrants will become more or less, better or worse incorporated to societies, and so on, depending on how each society receives and responds to them. Discrimination may have one type of impact, whereas a welcoming and egalitarian reception will likely have a very different societal impact. Incorporation will also be a function of the types of migrants, the labor markets they are attracted to, and so on.

A brief exploration of the literature on migration and guest worker programs yields three main positions in the debate, which will be labeled nativist or xenophobic, liberal or neoliberal, and social democratic. Nativist or xenophobic positions are those associated with authoritarian positions in receiving countries, which tend to reject migrants as an option for economic growth. The result from this kind of attitude is that "immigrants' economic skills have been systematically discounted, resulting in an income gap between immigrants and nonimmigrants" (Cohrs & Stelzl, 2010, p. 689). Joel Fetzer's (2000) work, for its part, concludes that battles over immigration will be resolved depending on whose values prevail, the cultural values

of nativists or those whose economic well-being will be protected (see also Shayerah, Fennelly, & Federico, 2008).

Some studies have argued about the negative “economic consequences of illegal migration on domestic unemployment and wage structures, on the added costs of social services, and on the changing demographic picture in recipient areas” (Todaro & Maruszko, 1987, p. 101). These authors concluded that increasing employer penalties and funding to immigration authorities to increase the cost to migrants for attempting illegal entry to the United States will work: “Clearly, our results indicate that these policy measures can be effective in reducing migration rates to considerably lower levels” (p. 111). Todaro and Maruszko could be said to have been legitimating the “tough policies” on migration. The authors, always based on the individual-level of incentives, whether for employers or migrants, further explored the difficulties for this policy to work. On the former, the authors calculated that capture rates would have to increase quite substantially for employers to really feel like it becomes affordable not to hire migrants: “very high employer penalties and probabilities of getting caught and convicted would be required to raise the tax levels sufficiently to achieve substantially lower rates of migration” (Todaro & Maruszko, 1987, p. 111).

As historical evidence shows more than two decades later, though the “get tough” policies did increase the cost of migration to migrants and less so for employers, migrants devised creative ways to continue migrating and lowering the cost to employers by, for instance, showing them fake Green Cards, which would get them “off the hook” (Hellman, 2008).

As an example of the social-democratic position in the migration debates, I briefly address Judy Hellman’s (2008) book on the subject. She rightly pointed out that many of the optimistic accounts of her informants as migrants in Los Angeles and New York, even though they nearly always mentioned the word *sacrifice*, may be due to a sampling bias: failed experiences would not be found among migrants in those cities, as those people would have returned home. Although it is indeed a “hard place,” the United States is ultimately a good place for those self-selected for the migration “journey.” In Hellman’s words, “they bring to the task they set for themselves a strikingly positive spirit” (p. 222). But a transnational existence is available only for those who have achieved immigrant status in the United States. One remarkable indicator of how few become transnational is the fact that not a single burial has been celebrated in the New York parish attended by Hellman’s informants: with the assistance of collections from the parish, the bodies of all who died abroad were, in each case, sent back to Mexico.

Finally, Hellman (2008) raised the question of “What is to be done?” Her answer is, in this reviewer’s opinion, puzzling, as it is not consistent with the terms of the debate the author proposed at the outset. In her introduction,

Hellman argued for a shift away from the official U.S. focus—in which the United States features as the epicenter of the world—to a migrant focus. If solutions were to focus on migrants, Hellman suggested, then serious attention should be given to the fact that most want to realize a Mexican rather than an American dream. The problem is that Hellman's answers ultimately do shift back to a focus on the United States. Stressing her disappointment with the receiving country's bipartisan policies for being mean spirited and punishing of migrants, the book does an excellent job in showing that "there is little chance that any socially just legislation [for migrants] could be put forward because of the contradictory nature of the demands on policymakers" (Hellman, 2008, p. 231). Thus, given that Hellman found no hope of devising a public policy toward migrants that will satisfy the highly polarized electorate, she retrenched into the usual policy recommendation for workers: get organized. But after decades of antiunion and antiworker policies in the United States, how can such organizing address migrants' interests? This strategy may be a good solution for U.S. workers, but how can it address the intractable problems for Mexican undocumented migrants in the U.S. policy context?

An alternative policy conclusion could be as follows: if the dismal conditions in rural Mexico stand as the key causal factor that explains out-migration from "The Rock" (from Hellman's subtitle), why not propose a North American policy of compensation and transfer, as existed in the European Union (EU)? In the EU, policies were geared to boost the less-developed nations of Greece, Portugal, and Spain upward in economic development, so their workers would not inundate other more-developed countries' labor markets. So, given how prevalent the anti-undocumented-migrants sentiment is in the United States, why not suggest that the Mexican government itself could revise its all-out embrace of neoliberalism? Mexico (which now has the equivalent of about 20% of its electorate working in the United States) could move to reconstruct its countryside, so that its people will reach food self-sufficiency and labor sovereignty again, as before 1986. This could save hundreds of thousands of Mexicans from engaging the perilous journey north and help reconstruct their crumbling rural communities. For sure, this will also involve a considerable push up for wages in the United States, and that too might help alleviate the huge income disparities that have appeared since the 1970s in that country.

Other authors are highly critical about the consequences of guest worker programs on migrants, labeling their situation in receiving countries as one of virtual servitude (e.g., Franz, 2007; Vogel, 2007). The guest worker program as proposed in 2007 in the United States, Franz (2007) argued, will transform American citizenship from an institution based on civic membership to one based on residence rights and socioeconomic status. American citizenship, now a relatively accessible option, will become a closed-off status, unattainable for the majority of temporary workers. This will exacerbate

the already existing two-tiered system of human and social rights, creating a new feudalism in America (Franz, 2007). For Vogel (2007), “transient servitude” is the true nature of the guest workers.

### Migration Seen from Sending Countries

There are three main positions in assessing the impacts of migration on the development of sending countries: the neoclassical modernization-and-development approach, that generally sees a positive impact; a social-democratic approach that sees problems and promises for sending countries; and a critical approach that sees primarily negative development impacts of migration. Studies in the first camp range from the micromotivations of migrants at the individual level, which in some cases include collective motivations to maximize “utility” for the migrant’s communities (e.g., Stark & Bloom, 1985).

For his part, Edward Taylor (1999) attempted to infuse some optimism to migration and development studies, starting from the observation that, in 1995, international migrant remittances exceeded \$70 billion worldwide. Taylor asked: “How have these remittances shaped development in migrant sending countries?” (p. 63) His assumption is that “migration and remittances should have a positive effect on local production” (p. 76). Presumably this would result from migrant households being able to overcome credit and risk constraints for engaging in production (p. 76). Later studies show, however, that development effects of remittances are negligible (Ellerman, 2005), given that most funds are spent on simple reproduction needs, rather than on expanded reproduction or capital accumulation (Cypher & Delgado-Wise, 2010).

The social-democratic position also views some positive impacts from migration in sending countries, although disparities are clearly acknowledged (Portes, 2009, p. 19) and call for a joint development policy from sending and receiving countries to maximize positive development outcomes. Alejandro Portes (2009), for instance, seeks to “reconcile” the opposing views on the matter between those who argue that migration can be beneficial and those who believe that “migration is not only a symptom of underdevelopment, but a cause of it” (p. 6). From Portes’ perspective, however, migration can have positive development impacts, but he differentiated between cyclical and permanent migration.

Overall, cyclical migration, of either manual labor or professional labor, is preferred over permanent migration for the development of the sending nation. Even with permanent migration, however, migrants become part of transnational communities, so these migrants can still contribute to their home nation. *Transnationalism* refers to the idea that new immigrants stay connected to their home communities through social organizations. Portes (2009) disputed the true effectiveness of “transnationalism” as he believed



that it is a “one generation phenomenon” that has limitations and tends to be a trend mainly for educated immigrants (p. 10).

As Portes (2009) pointed out, however, the “positive developmental potential of settled professional communities abroad depends, as in the case of cyclical migration, on the existence of an infrastructure capable of absorbing technological innovations and investments” (p. 17). In particular, he distinguished between manual labor and high human capital migration. Within the former, he explained that the scholars who contend that migration has a positive developmental impact on the sending country might be right when the migration occurs in cyclical flows. Yet “permanent out-migrations tend to have the opposite effects” (Portes, 2009, p. 8). The only major benefit in this case is the potential expansion of transnational communities (pp. 8–10). High human capital migration, in contrast, can lead to so-called brain drain of the sending country. If this migration maintains a cyclical nature, however, the benefits for the development of the home country can be significant (pp. 13–17).

Moreover, Portes (2009) argued that a “world system” approach can be used to expand the scope of the analysis (p. 14). He explained that “cyclical flows” where the workers return to their homeland provide the most benefit for the sending countries (p. 19). Portes argued that the current policies between the United States and Mexico are unbalanced and should be revised to be “mutually supportive” for the development of both nations (p. 19).

The critical perspective considers that sending countries are losing valuable workers and decimating their basis for sustainable development. Delgado-Wise and Cypher (2007), for instance, argued that NAFTA is based on a “cheap labour export led model” (p. 120). For them, NAFTA primarily benefits transnational corporations, as the agreement has driven down wages and benefits in sending and receiving countries (p. 122). These authors explained that the maquiladoras import 77% of production inputs from the United States, thus limiting Mexico’s ability to develop backward and forward linkages with the rest of its domestic market (pp. 126, 129).

According to Delgado-Wise and Cypher, NAFTA and the neoliberal economic model adopted by Mexico has exacerbated the exportation of its labor force. They point not only to the vast and direct physical emigration of Mexicans across borders (especially to the United States), but also to the exportation of labor in its “disembodied form.” Whether through the maquila sector, the disguised maquila sector, or direct migration, “the only Mexican-made value/input in this complex transnational process is cheap labor” (p. 121). This lack of input (i.e., other than cheap labor) largely has to do with the fact that Mexico imports partly assembled inputs and machinery/technology. The alternative would be that such inputs could be produced in Mexico, and in turn, help create new industries and employment via backward linkages to the local economy.

Similarly, for David Ellerman (2005), migration becomes a developmental trap for the sending countries. In this relation, which involves a semipermanent “3 Ds Deal,” the sending countries forgo self-development in favor of being a long-range bedroom community to supply the labor for Dirty, Dangerous, and Difficult jobs in the North or receiving countries.

### CONCLUSIONS: TOWARD A NORTH AMERICAN UNION?

There are two quite different ways of addressing the issue of human and labor rights for Mexican migrants: building a North American Union with free labor mobility across NAFTA partners or, for Mexico to rearticulate its economy so as to rebuild its countryside and food self-sufficiency. The former approach would make it viable for the United States to continue using Mexican labor force without infringing on the human and labor rights of workers.

Short of constituting a North American Union, the second alternative would focus on promoting sustained economic development in Mexico, so as to make it possible for its citizens to stay home, make livable wages, and strengthen their families and communities. Both approaches would take considerable social mobilization to implement, and given the sharp divisions on migration issues in the United States, the North American Union alternative may lie in a distant future. This article concludes, therefore, that Mexican politicians and activists should bank on the second alternative, one that is rarely considered in migration debates, focused as they are on receiving societies.

As a less than democratic nation, the fact that Mexico's ruling class and government technocracy bought into neoliberalism had little to do with how broader sectors of the nation perceived it. Although the trends are dire, the massive protests by peasant groups and their supporters are sufficient to question whether neoliberal globalization and the new international division of labor in food will be successfully implemented in Mexico. I am not claiming that neoliberalism lacks detractors or produces no negative impacts in Canada and the United States, but it is the least-developed country that has the greatest negative repercussions from such restructuring, and consequently, it faces the most resistance from the ground.

It is ultimately at the level of the nation-state that neoliberal regulation takes hold. Pedro Magaña Guerrero, a Mexican peasant whose organization is a member of Via Campesina, put it this way after praising militancy at the global level: “The consolidation of alternatives rests completely on what is happening at the local level, it depends on the development of organizations in their [peasants'] regions, in their countries” (cited by Desmarais, 2007, p. 135). Looking within nation-states will thus allow for studying how and whether their internal sociopolitical dynamics may

become independent factors that could alter dominant trends in the world economy from the bottom up.

Thus, this article has a two-pronged conclusion. For the United States, human rights activists will have to continue in their struggle for equal treatment of all workers residing in their nation, regardless of citizenship status. Only thus can labor standards be guaranteed to have acceptable levels according to International Labour Organization (ILO) parameters. The optimal way to address this result would be by promoting the formation of a North American Economic Union, similar to the European Union, so that the owners of labor power can flow as freely as the owners of commodities and capital do. The owners of commodities and capital already enjoy largely unrestrained mobility to seek the highest prices or profits, not only throughout North America, but also throughout most of the world. If proper protections of human and labor rights in North America accompany its economic union, then workers would be protected from the whims of the owners of capital. Given that this scenario can only be accomplished in the long term, if at all, for the short and medium terms, it is indispensable for Mexico to try and restore its labor sovereignty. This goal will also require the restoration of its food self-sufficiency and the reconstruction of its countryside.

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#### NOTE

1. Estimates by the Consejo Nacional de Población (CONAPO) are even higher for this period at 2.8 million. See [www.conapo.gob.mx](http://www.conapo.gob.mx). For further scholarship on the issue of agrarian displacement, see Araghi (2000).

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