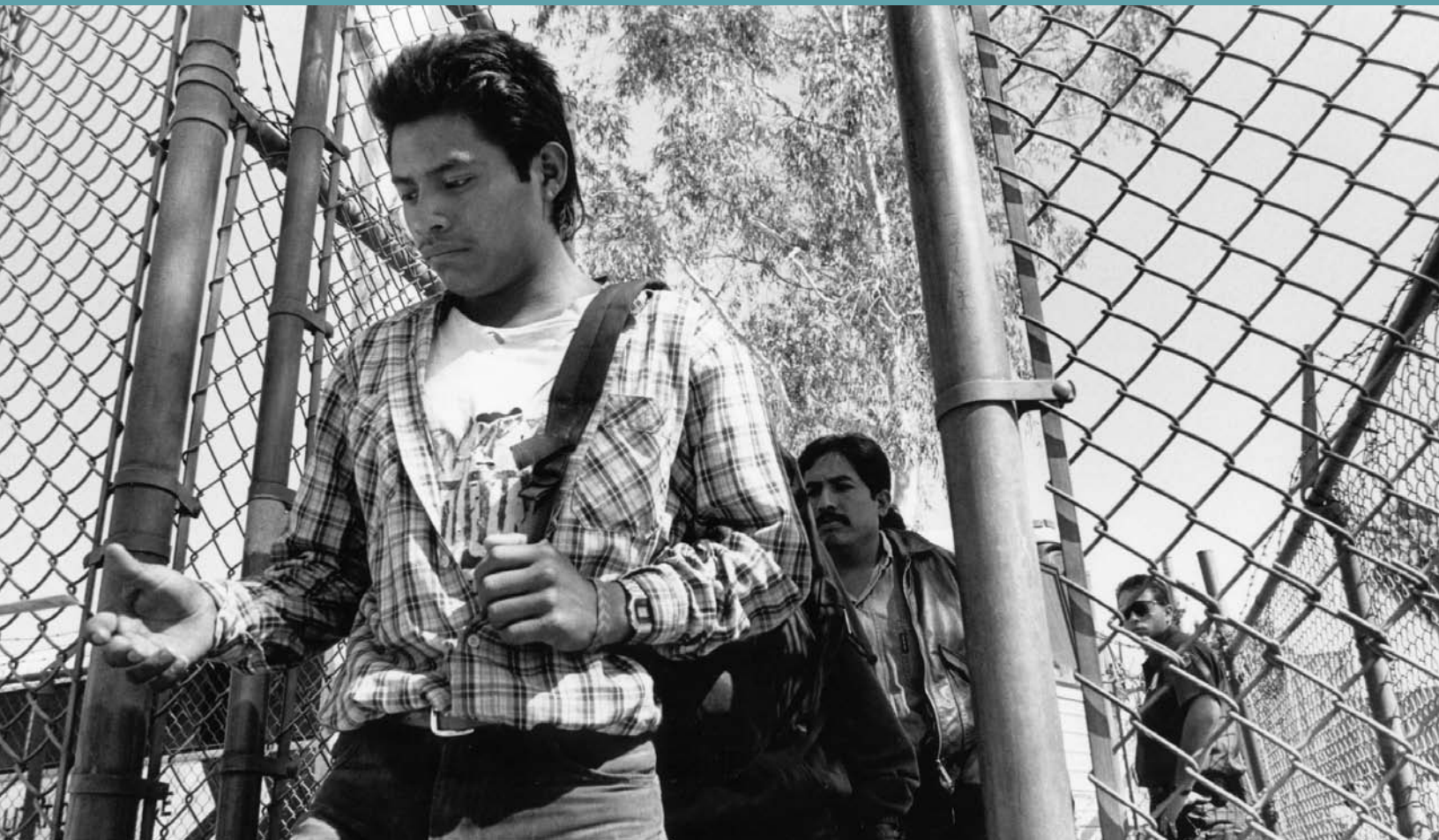


# BACKGROUND



## UPROOTED AND CRIMINALIZED

THE IMPACT OF FREE MARKETS ON MIGRANTS

Autumn 2008

## ACKNOWLEDGEMENTS

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**ABOUT THE AUTHOR:** David Bacon, a Senior Fellow at the Oakland Institute, is a renowned Bay Area writer and photojournalist and he has received numerous awards for both his writing and photography.

For twenty years, Bacon was a labor organizer for unions in which immigrant workers made up a large percentage of the membership. Those include the United Farm Workers, the United Electrical Workers, the International Ladies' Garment Workers, the Molders Union and others. Those experiences gave him a unique insight into changing conditions in the workforce, the impact of the global economy and migration, and how these factors influence the struggle for workers rights.

David's work appears regularly in *TruthOut*, *The Nation*, *The American Prospect*, *The Progressive*, and the *San Francisco Chronicle*, among other publications. His books include *The Children of NAFTA* (University of California Press, March, 2004), *Communities Without Borders* (ILR/Cornell University Press, October 2006) and *Illegal People - How Globalization Creates Migration and Criminalizes Immigrants* (Beacon Press, 2008). In his latest project, *Living Under the Trees*, Bacon is photographing and interviewing indigenous Mexican migrants working in California's fields.

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Esteban, a guest worker recruited from Huehuetenango, Guatemala, holds the notebook in which he recorded, every day, the number of pine trees he planted, and knew, therefore, how much he was cheated by the contractor.

## UPROOTED AND CRIMINALIZED

### THE IMPACT OF FREE MARKETS ON MIGRANTS

Rufino Dominguez, coordinator of the Binational Front of Indigenous Organizations (FIOB, Frente Indigena de Organizaciones Binacionales) says there are about 500,000 indigenous people from Oaxaca living in the U.S. – 300,000 in California alone. Economic crises provoked by the North American Free Trade Agreement (NAFTA) and other economic reforms are uprooting and displacing Mexicans in the country’s most remote areas, where indigenous people still speak their native languages. “There are no jobs, and NAFTA made the price of corn so low that it’s not economically possible to plant a crop anymore,” Dominguez says. “We come to the U.S. to work because we can’t get a price for our product at home. There’s no alternative.”

As he points out, U.S. trade and immigration policy are linked together. They are part of a single system, not separate and independent policies. The negotiation of NAFTA was in fact an important step in the development of this relationship.

Since NAFTA's passage in 1993, the U.S. Congress has debated and passed several new trade agreements – with Peru, Jordan, Chile, and the Central American Free Trade Agreement. At the same time it has debated immigration policy as though those trade agreements bore no relationship to the waves of displaced people migrating to the U.S., looking for work. Meanwhile, a rising tide of anti-immigrant hysteria has increasingly demonized those migrants, leading to measures that deny them jobs, rights, or any pretense of equality with people living in the communities around them. To resolve any of these dilemmas, from adopting rational and humane immigration policies to reducing the fear and hostility towards migrants, the starting point has been an examination of the way U.S. policies have both produced migration and criminalized migrants.

### MAKING A CASE FOR FREE TRADE TO HALT IMMIGRATION

Trade negotiations and immigration policy were formally joined together when Congress passed the Immigration Reform and Control Act (IRCA) in 1986. Immigrant rights activists campaigned against the law because it contained employer sanctions, prohibiting employers for the first time at a federal level from hiring undocumented workers. IRCA's liberal defenders pointed to its amnesty provision as a gain that justified sanctions, and the bill eventually did enable over 4 million people living in the U.S. without immigration documents to gain permanent residence.

Yet few noted one other provision of the law. IRCA set up a Commission for the Study of International Migration and Cooperative Economic Development to investigate the causes of immigration to the U.S. The commission issued a report to President George Bush and Congress in 1990. It found, unsurprisingly, that the main motivation for coming to the U.S. was economic need. To slow or halt this flow, it recommended “promoting greater economic integration between the migrant sending countries and the United States through free trade” and that “U.S. economic policy should promote a system of open trade.” It concluded that “the United States should expedite the development of a U.S.-Mexico free trade area and encourage its incorporation with Canada into a North American free trade area,” while warning that “it takes many years – even generations – for sustained growth to achieve the desired effect.” Mexican President Carlos Salinas de Gortari made it plain that he favored such a trade agreement between Mexico and the United States.

As Congress debated the treaty, President Salinas toured the United States, telling audiences unhappy at high levels of immigration that passing NAFTA would reduce Mexican immigration by providing employment for Mexicans in Mexico. Back home, he and other treaty proponents made the same argument. NAFTA, they claimed, would set Mexico on a course to become a first-world nation. “We did become part of the first world,” says Juan Manuel Sandoval, coordinator of the Permanent Seminario on Chicano and Border Studies at Mexico City's National Institute of Anthropology and History. “The back yard.”



## NAFTA: A RECIPE FOR DESTRUCTION OF MEXICO'S AGRICULTURAL BASE

NAFTA became an important source of pressure on Mexicans, particularly Oaxacans, to migrate. The treaty forced yellow corn, grown by Mexican farmers without subsidies, to compete in Mexico's own market against subsidized corn from the U.S. producers. Agricultural exports to Mexico more than doubled during the NAFTA years, from \$4.6 to \$9.8 billion annually – \$2.5 billion in 2006 in corn alone. In January and February of 2008, huge demonstrations in Mexico sought to block the implementation of the agreement's final chapter, which lowered the tariff barriers on white corn and beans.

By the 1980's, as a result of a growing crisis in agriculture, Mexico had already become a corn importer. According to Sandoval, large number of farmers switched to other crops when they couldn't compete against U.S. grain dumping. But NAFTA then prohibited price supports for Mexican farmers, without which hundreds of thousands of small farmers found it impossible to sell corn or other agricultural products at prices that would cover the production costs. The CONASUPO system, in which the government bought corn at subsidized prices, turned it into tortillas, and sold them in state-franchised grocery stores at subsidized low prices, was abolished. And when NAFTA pulled down customs barriers, large U.S. corporations dumped even



Juan Guzman, a Chatino from Oaxaca, lives under a bridge outside of Graton, California, in the middle of the wine grape country of Sonoma County. He was getting day labor jobs on the street in Graton, but hadn't worked for a week.

more agricultural products in the Mexican market. Rural farming families went hungry when they couldn't find buyers for what they'd grown. It's no accident that the Zapatista National Liberation Army planned their uprising in Chiapas for the day NAFTA took effect. Indigenous farmers knew what awaited the southern countryside.

Mexico couldn't protect its own agriculture from the fluctuations of the world market. A global coffee glut in the 1990s plunged prices below the cost of production. A less entrapped government might have bought the crops grown by farmers from the state of Veracruz to keep them afloat, or provided subsidies for other crops. But once free market strictures were in place the government was unable to intervene and farmers suffered. Campesinos from Veracruz joined the stream of workers heading north, where they became an important part of the workforce in the Smithfield pork processing plant in North Carolina, as well as in other industries.



A community of Chatino indigenous immigrants from Oaxaca lives in a field in California's wine country.

Poor people in Mexican cities fared no better. Although a flood of cheap U.S. grain was supposed to make consumer prices fall, the opposite occurred. With the end of the CONASUPO stores and price controls, the price of tortillas more than doubled in the years that followed NAFTA's adoption. One company, Grupo Maseca, monopolized tortilla production, while Wal-Mart became Mexico's largest retailer.

#### INCREASED IMPOVERISHMENT AMONGST THE WORKING POOR

Under Mexico's former nationalist development policy, foreign auto makers like Ford, Chrysler, General Motors and Volkswagen were required to buy some of their components from Mexican producers built by Mexican workers. NAFTA, however, prohibited governments from requiring foreign investors to use a certain percentage of locally manufactured parts in their production. Without this restraint, the auto giants began to supply their assembly lines with parts from their own subsidiaries, often manufactured in other countries. Mexican parts workers lost their jobs by the thousands.

Economic reforms restructured the Mexican economy. One major objective of those reforms

was the privatization of the large state sector, employing millions of workers. By the early 1990s Mexico had sold, not just its national mines to one company, Grupo Mexico, owned by one family, the Larreas, but also its steel mill in Michoacan to the Villareals, and its telephone company to Carlos Slim. Former Mexico City mayor Carlos Hank Rhon drove the city's bus system deeply into debt, and then bought the lines in the 1990s at public auction. Mexico created more billionaires in this period than any other country in the world.

Rich Mexicans weren't the only beneficiaries of privatization. U.S. companies were allowed to own land and factories, eventually anywhere in Mexico, without Mexican partners. U.S.-based Union Pacific, in partnership with the Larreas, became the owner of the country's main north-south rail line, and immediately discontinued virtually all passenger service, as railroad corporations had done in the U.S. As the Larreas and Union Pacific moved to boost profits and cut labor costs, Mexican rail employment dropped from over 90,000 to 36,000. The railroad union under leftwing leaders Demetrio Vallejo and Valentin Campa had been so strong that its strikes challenged the government in the 1950s. Facing privatization, railroad workers mounted a wildcat strike to try to save their jobs, but they lost and their union became a shadow of its former presence in Mexican politics.

After NAFTA the privatization wave expanded. Mexico's ports were sold off and companies like Stevedoring Services of America, Hutchinson and TMM now operate the country's largest shipping terminals. The impact on longshore wages was devastating. In Manzanillo and Lazaro Cardenas, the two largest Pacific coast ports, a crane driver made \$100-160/day before privatization in the late 1980s. Today they make \$40-50.

## FAILING WAGES AND RISING POVERTY

Slashing wages in privatized enterprises and gutting union agreements only increased the wage differential between the U.S. and Mexico. According to Garrett Brown of the Maquiladora Health and Safety Network, the average Mexican wage was 23% of the U.S. manufacturing wage in 1975. By 2002 it was down to 12% of the United States manufacturing wage earned. Brown says that since NAFTA went into effect, real Mexican wages dropped by 22%, while worker productivity increased 45%.

In NAFTA's first year, the Mexican government reported that one million Mexicans lost their jobs. This was also a year when the peso was devalued in an attempt to avert the sell off of short-term bonds and a flood of capital shifting to the north. U.S. Treasury Secretary Robert Rubin engineered a \$20 billion loan to Mexico, which was paid to bondholders, who were primarily U.S. banks. In return, Mexico had to pledge that its oil revenue would be used to pay off its foreign debt, thus making the country's primary source of income unavailable for social needs.

As the Mexican economy, especially the border maquiladora industry, became increasingly tied to the U.S. market, Mexican workers lost jobs when the market for what those factories

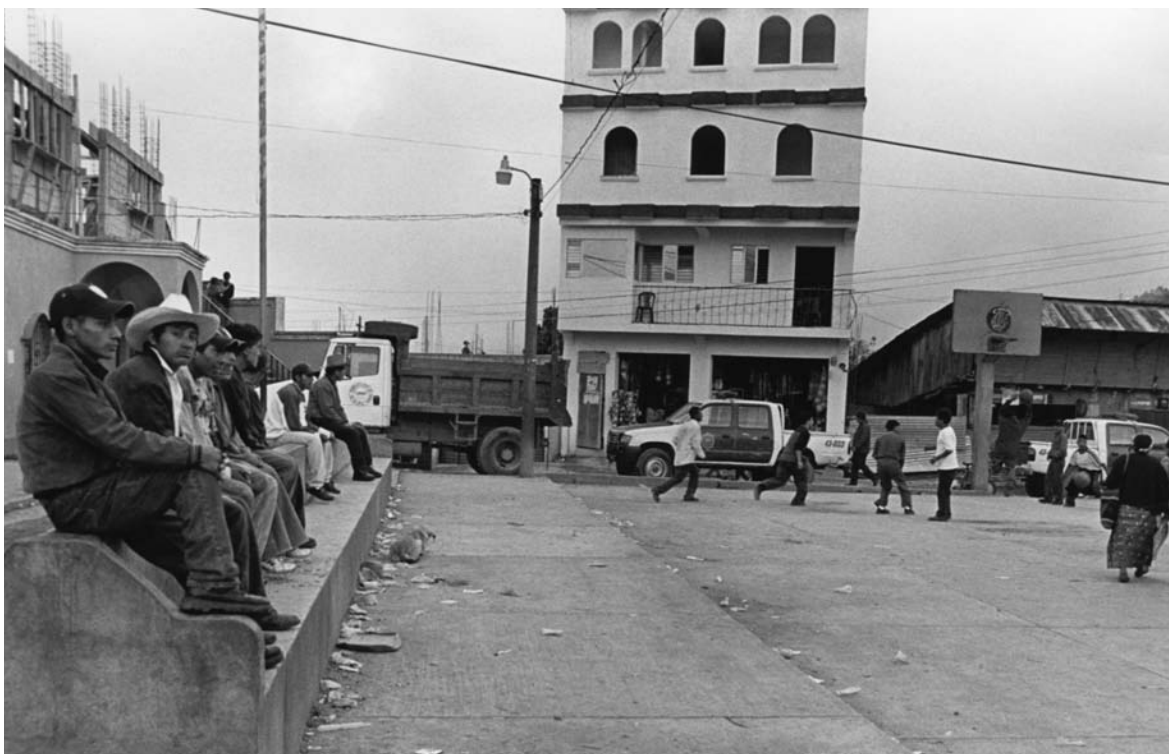
produced shrank during U.S. recessions. In 2000-2001, 400,000 jobs were lost on the U.S./Mexico border, and in the current recession, thousands more will be eliminated.

In 2006 spreading poverty and the lack of a program to create jobs and raise living standards, ignited months of conflict in Oaxaca, in which strikes and demonstrations were met with repression by an unpopular provincial government. Leoncio Vasquez, communications director for the FIOB in Fresno, California, says, “the lack of human rights itself is a factor contributing to migration from Oaxaca and Mexico, since it closes off our ability to call for any change.”

### DISPLACEMENT: A RESULT OF FREE MARKET POLICIES

All of these policies produced displaced people, who could no longer make a living or survive as they’d done before. The rosy predictions of NAFTA’s boosters that it would slow migration proved false. Between just 2000 and 2005, Mexico lost 900,000 jobs in the countryside, and 700,000 in the cities. Since 1994, six million Mexicans came to live in the U.S. Another million went to work in the maquiladoras. In just five years, from 2000 to 2005, the Mexican population living in the U.S. increased from 10 to 12 million. With few green cards, or permanent residence visas, available for Mexicans, most of these migrants were undocumented.

From 1982 through the NAFTA era, successive economic reforms produced more migrants. Ejidatarios who lost their land (farmers on state land who had to work the land regularly and produce a harvest to keep it) found jobs as farm workers in California. Laid off railroad work-



A line of young men sit beside the town plaza of Santa Eulalia, Guatemala, waiting for work. Many have relatives working in the U.S., and are thinking of going north themselves.



ers traveled north, as their forbears had during the early 1900s, when Mexican labor built much of the rail network through the U.S. southwest. The displacement of people had already grown so large by 1986 that the commission established by IRCA was charged with recommending measures to halt or slow it.

Its report urged that “migrant-sending countries should encourage technological modernization by strengthening and assuring intellectual property protection and by removing existing impediments to investment” and recommended that “the United States should condition bilateral aid to sending countries on their taking the necessary steps toward structural adjustment. Similarly, U.S. support for non-project lending by the international financial institutions should be based on the implementation of satisfactory adjustment programs.” The IRCA commission report even acknowledged the potential for harm by noting “efforts should be made to ease transitional costs in human suffering.”

The North American Free Trade Agreement, however, was not intended to relieve human suffering. In 1994, the year the treaty went into effect, U.S. speculators began selling off Mexican government bonds. According to Jeff Faux, founding director of the Economic Policy Institute, “the peso crash of December, 1994, was directly connected to NAFTA, which had created a speculative bubble for Mexican assets that then collapsed when the speculators cashed in.”

“It is the financial crashes and the economic disasters that drive people to work for dollars in the U.S., to replace life savings, or just to earn enough to keep their family at home together,” says Harvard historian John Womack. “The debt-induced crash in the 1980s, before NAFTA, drove people north...The financial crash and the Rubin-induced reform of NAFTA, New York’s financial expropriation of Mexican finances between 1995 and 2000, drove the economically wrecked, dispossessed and impoverished north again.”

\* \* \*

The U.S. immigration debate lacks a vocabulary to describe what happens to migrants before they cross borders – the factors that force them into motion. In the U.S. political debate, Veracruz’ uprooted coffee pickers or the unemployed workers from Mexico City’s auto parts plants are called immigrants, because that debate does not recognize their existence before they cross the border. It would be more accurate to call them migrants, and the process migration since that takes into account people’s communities of origin and those where they travel to find work.

Similarly, the U.S. debate makes a big distinction between Mexican job seekers, most of whom are undocumented and have no rights or legal status, and Cubans, who get permanent residence visas as political refugees as soon as they set foot on a beach in Florida. These distinctions, however, have more to do with U.S. foreign policy goals than with reality. When teachers and farmers left Oaxaca seeking a viable economic future, after they were beaten in the

streets for protesting that their state's government won't provide one, were they job seekers or refugees? They were both, of course. But in the U.S. and other wealthy countries, economic rights are not considered human rights. In the official view, hunger doesn't create political refugees. In effect, the whole process that pushes people north is outside the parameters of political debate.

Displacement itself has become an unmentionable word in the Washington discourse. Not one immigration proposal in Congress in 2006 and 2007 considered policies that uprooted miners, teachers, tree planters and farmers, in spite of the fact that Congress members voted for these policies. In fact, while debating bills that criminalize undocumented migrants and set up huge guest worker programs, four new trade agreements were introduced, each of which would cause more displacement and more migration.

### THE SENSENBRENNER FAMILY & THEIR ROLE IN IMMIGRATION

Three years ago Representative James Sensenbrenner convinced Republicans in Congress (and 35 Democrats too) to pass one of the worst immigration bills of the last hundred years. HR 4437, would have made federal felons of all 12 million undocumented immigrants in the U.S., criminalized teachers, nurses or priests who helped them, and built a 700-mile wall on the U.S. Mexico border to keep people from crossing. Representative Sensenbrenner is more than just a leader of Congressional xenophobes, however. His family is intimately involved in creating the conditions that cause migration, and then profits from the labor it makes available. In fact, the Sensenbrenner family connections are a microcosm of the political economy of migration itself.

James Sensenbrenner's grandfather started Kimberly Clark, one of the world's largest paper companies, and Sensenbrenner and the family trust remain important stockholders. The company's Mexican counterpart, Kimberly Clark de Mexico, is a close associate of the Mexican mining giant, Grupo Mexico, and a former Kimberly Clark executive, J. Eduardo Gonzalez, sits on the Grupo Mexico board.

In 1998, Grupo Mexico provoked a strike in Cananea to cut its labor costs at one of the world's largest copper mines, which it bought at a fire-sale price during Mexico's privatization wave. Eight hundred miners lost their jobs. In 2006 Grupo Mexico fired 1500 miners in Nacozari, another huge privatized mine nearby, because workers went on strike to resist an effort to smash their union. There are no other jobs in either of these small mining towns, and the displaced families had to leave to survive. The Arizona border is just a few miles north, so many crossed it to find work in Tucson, Phoenix, or Los Angeles.

During the same months when the fired Nacozari miners began to travel north, Sensenbrenner organized a series of rump Congressional hearings to promote his immigration bill. In front of reporters he fulminated against undocumented immigrants, claiming they had no place in the United States and should leave. But no enterprising journalist asked him about the miners from Cananea and Nacozari and where he thought they should go.



Migrant Mixtec farmworkers from Oaxaca near Maneadero, in Baja California just south of the U.S./Mexico border, harvesting cilantro for export to the U.S. Wages are so low that the whole family has to work to earn enough to live, including children.

Some 24 million immigrants live in the U.S. as either citizens or with documents, and 12 million without them. If they actually did go home, whole industries would collapse. Some of the country's largest corporations would go bankrupt. One of them is the Sensenbrenner family business. Every year, Kimberly Clark turns huge quantities of paper pulp into toilet paper. The trees used to make that pulp are planted and tended in forests from Maine to Georgia by thousands of immigrant workers.

#### EXPLOITING GUEST WORKERS

Guest workers are recruited to work in the forests from Mexico, Central America and the Caribbean. Recruiters promise high wages and charge thousands of dollars for visas, fees and transportation. By the time they leave home, the debts of guest workers are crushing. In 1998, 14 men drowned as the van carrying them to work careened off a bridge into the Alagash



River in a Maine forest. They were speeding because rain had kept them from working the day before. Even one lost day puts a family in jeopardy of not meeting loan payments, and losing their home.

In 2007 the Southern Poverty Law Center issued a report, *Close to Slavery*, documenting the treatment of guest workers. No one gets overtime, regardless of the law. Companies charge for tools, food and housing. Guest workers are routinely cheated. Recent protests have exposed the exploitation of guest workers recruited from India to work in the Mississippi shipyard of Signal International. The workers paid \$15-20,000 for each visa, lived in barracks in the shipyard, and had to get up at 3:30 to use the bathrooms because there weren't enough for everyone. The company cut the wages, held six workers prisoner for deportation, and fired their leader, Joseph Jacobs.

If workers protest this kind of treatment, they're put on a blacklist and won't be hired the following year. Protesting wouldn't do much good anyway. In 2006 Santiago Rafael Cruz, an organizer for the Farm Labor Organizing Committee, was murdered when his union, the Farm Labor Organizing Committee, tried to set up an office in Mexico to end the corruption and blacklists by guest worker contractors. The U.S. Department of Labor has almost never decertified a guest worker contractor, no matter how many complaints are filed against it. The paper industry depends on this system. Twenty years ago, it stopped hiring unemployed work-



An indigenous Mexican farmworker prunes grapevines in California's San Joaquin Valley.



ers domestically, and began recruiting guest workers. As a result, labor costs in the forests have remained flat, while paper profits have gone up.

The Sensenbrenner family business and the paper industry in general are just one part of a larger global system. In Latin America, economic reforms promoted by the U.S. government through trade agreements and international financial institutions displace workers – from miners to coffee pickers – who join a huge flood of labor moving north. When they arrive in the U.S., they become an indispensable part of the workforce, whether they are undocumented or laboring under work visas. Displacement creates a mobile workforce, an army of available workers that has become an indispensable part of the U.S. economy, and that of other wealthy countries. The same system that produces migration needs and uses that labor far away from the countries of origin. Despite the claims of the IRCA commission and NAFTA's proponents, one of the most important effects of the treaty and of structural adjustment policies in general has been the production of migration.

The creation of a vulnerable workforce through the displacement of communities is not new. It is as old as capitalism itself. As early as the 1700s, the English enclosure acts displaced home weavers by fencing off the commons where they raised sheep for wool. Hunger then drove weavers into the new textile mills, where they became some of the world's first wage-workers.

Africa became “a warren for the hunting of black skins” during the bloody displacement of communities by the slave traders. Uprooted African farmers were transported to the Americas in chains, where they became an enslaved plantation workforce from Colombia and Brazil to the U.S. south. Their labor created the wealth that made economic growth possible in the U.S. and much of Latin America and the Caribbean. But displacement and enslavement produced more than wealth. As slave owners sought to differentiate slaves from free people, they created the first racial categories. Society was divided into those with greater and fewer rights, using skin color and origin. When anti-immigrant ideologues like Lou Dobbs call modern migrants “illegals,” they use a category inherited and developed from slavery.

## DISPLACEMENT AND INEQUALITY

Today displacement and inequality are just as deeply ingrained in the free market economy as they were during the slave trade and the enclosure acts. Mexican President Felipe Calderon said during a visit to California in February 2008, “You have two economies. One economy is intensive in capital, which is the American economy. And one economy is intensive in labor, which is the Mexican economy. We are two complementary economies, and that phenomenon is impossible to stop.” When Calderon says intensive in labor, he means that millions of Mexican citizens are being displaced, and that the country's economy can't produce employment for them. To Calderon and employers on both sides of the U.S./Mexico border, migration is therefore a labor supply system. Immigration policy determines the rules under which labor is put to use.

According to the United Nations Population Fund (UNFPA) 191 million people lived outside their country of origin in 2005. Employers see them as a source of labor, and seek to organize the flow of migration, to direct it where it's needed. "The economic interests of the overwhelming majority of [U.S.] employers favor borders as porous for labor as possible," according to Jeff Faux. But employers want labor in a vulnerable, second-class status, available at a price they want to pay.

A rising percentage of the rural workforce is made up of migrants. Even in developing countries, corporate agriculture depends on migrant labor, and large corporations like Dole and Del Monte draw a workforce from displaced and impoverished rural communities, from the Afro Colombians in Colombia to the Oaxacans in Mexico. Migrants now dominate the service industry workforce in most developed countries. As the most recent job seekers, they begin in the most marginal and contingent jobs. Day laborers on California street corners arrive from Mexico and Central America, while in Britain they come from Romania, Africa and the West Indies.

Within this system of displacement and migration, the immigration policies of the developed countries determine the status of migrant labor. U.S. immigration policy doesn't stop people from coming into the country, nor is it intended to. Its main function is to determine the status of people once they're here. And an immigration policy based on providing a labor supply produces two effects. Displacement becomes an unspoken tool for producing workers, while inequality becomes official policy. The unquestioned assumption is that migrants will not have the same rights as people living in the community around them. All the immigration bills debated by Congress over the last few years are based on this assumption. Yet, despite its profound implications, it is never debated.

This institutionalization of inequality is reversing a four-century movement in the United States toward greater equality and rights for all people living here. At the same time, institutional and legal inequality creates a growing section of the workforce without the most basic rights and benefits won by workers during the New Deal.

## THE PROFITABILITY OF INEQUALITY

In the history of U.S. immigration, a long list of policies have been intended to produce unequal status – the Chinese Exclusion Act, the Alien Land Act, anti-miscegenation laws, Public Law 78 – the bracero program. They all created an unequal status based on race and national origin, and shared the central purpose of creating a supply of labor at a price employers wanted to pay.

The roots of this inequality lie in slavery. The current concept of the "illegal" person has its roots in the Black Codes, used to define who could be enslaved and who couldn't. When the U.S. Constitution was adopted, a slave only counted as three-fifths of a person. Today, calling someone an "illegal" doesn't refer to an illegal act. It is the status of the person that is illegal, which justifies their exclusion from normal rights and social benefits. Illegality is a social category.



Guatemalan workers, mostly from Santa Eulalia and other towns in the highlands of the state of Huehuetenango, cut apart sides of beef in a Nebraska meatpacking plant.

Illegality creates an inexpensive system for employers. So-called illegal workers produce wealth, but receive a smaller share in return – a source of profit for those who employ them. Inequality is profitable. In 1994 the labor of undocumented workers pumped \$45,000 per person into the California economy according to the North American Integration and Development Center at UCLA. Assuming almost all were working at close to the minimum wage, each received only a small part of the value he or she produced, about \$8840 each. The average manufacturing wage at the time produced an annual income more than twice that. Who gets the additional value?

Companies depend, not just on the workers in the factories and fields, but also on the communities from which they come. If those communities stop sending workers, the labor supply dries up. Work stops. Yet no company pays for a single school or clinic, or even any taxes, in those communities. Workers pay for it all, through the money they send home.

In the tiny Mexican and Guatemalan towns that now provide workers for the U.S., free-market and free trade policies exert pressure to cut the government budget for social services. That budget in Guatemala's Santa Eulalia, for instance, does not provide any healthcare system for the town's residents. In public schools parents and teachers must buy the paper, pencils, books and other materials (an important cause of the teachers' strike in Oaxaca). If a road needs repair, residents can't expect a government repair crew to fix it.

The cost of all these services is now borne by workers themselves, in the form of remittance payments sent back from jobs in Nebraska slaughterhouses, California fields, or New York office buildings. Former Mexican President Vicente Fox boasted that in 2005 his country's citizens working in the U.S. sent back \$18 billion. Some estimate that in 2006 that figure reached \$25 billion. At the same time, the public funds which used to pay for schools and public works leaves Mexico in debt payments to foreign banks. Remittances, as large as they are, cannot make up for this outflow. According to a report to the Mexican Chamber of Deputies, remittances accounted for an average of 1.19% of the gross domestic product between 1996 and 2000, and 2.14% between 2001 and 2006. Debt payments accounted for 3% annually. By partially meeting unmet and unfunded social needs, remittances are indirectly subsidizing the banks.

At the same time, companies dependent on this immigrant stream gain greater flexibility in adjusting for the highs and lows of market demand. The global production system has grown very flexible in accommodating economic booms and busts. Its employment system is based on the use of contractors, which is replacing the system in which workers were directly employed by the businesses using their labor. Today's pine tree planters don't work directly for Kimberly Clark or the paper companies, but for labor recruiters. They appear when trees need to be planted, thinned or harvested. When the work is over, they are sent away. The paper corporations control labor costs indirectly, through the price they pay for harvested trees or wood pulp, and through the contracts signed with labor contractors. This has been the employment model in the garment and janitorial industries and in agriculture for decades. Displaced migrant workers are the backbone of this system.

As these conditions are established, they expand to other industries. In the 1970s, production workers in Silicon Valley electronic plants worked directly for big manufacturers. Today women working on the line assembling printers for Hewlett Packard work for Manpower, a temporary employment agency with an office in the plant itself. Sometimes they do the same job they did when they worked for HP directly, but now without healthcare or other benefits. They get a lower wage, and can be terminated at any time. Most are women from the Philippines, Mexico and the countries of Latin America and the Asian Pacific rim.

Guest worker and employment-based visa programs were created to accommodate these labor needs. When demand is high, employers recruit workers. When demand falls, those workers not only have to leave their jobs, but the country entirely. Disabled guest workers, injured because of high line speed on the killing floor of meatpacking plants, can't stay in the com-



munity around the plant, making demands for treatment. They have to go back to hometowns where there is virtually no medical care at all. The employer doesn't have to provide compensation for those forced out of the country.

Today we hear both employers and the Department of Homeland Security call for relaxing the requirements on guest worker visas. Although there are minimum wage and housing requirements, the Southern Poverty Law Center report "Close to Slavery," documents the fact that these requirements are generally ignored. Simply putting more labor protections on paper won't change the reality for workers. "These workers don't have labor rights or benefits," Dominguez charges. "It's like slavery. If workers don't get paid or they're cheated, they can't do anything."

### THE PUSH FOR A NEW GUEST WORKERS PROGRAM

The meatpacking industry started lobbying for guest workers in the late 1990s, when companies organized the Essential Worker Immigration Coalition – think Wal-Mart, Marriott, Tyson Foods and the Associated Builders and Contractors. While Republicans are strong guest worker supporters, the bills in Congress are bipartisan, supported by liberals like Senator Edward Kennedy and Congressman Luis Gutierrez.

New guest worker programs are the heart of the corporate program for immigration reform, and are combined with proposals for increased enforcement and a pro-employer program for legalization of the undocumented. In the U.S., proposals based on this three-part compromise are called "comprehensive immigration reform." In Britain similar proposals are called managed migration, the purpose of which is to "manage the flow" of migration.

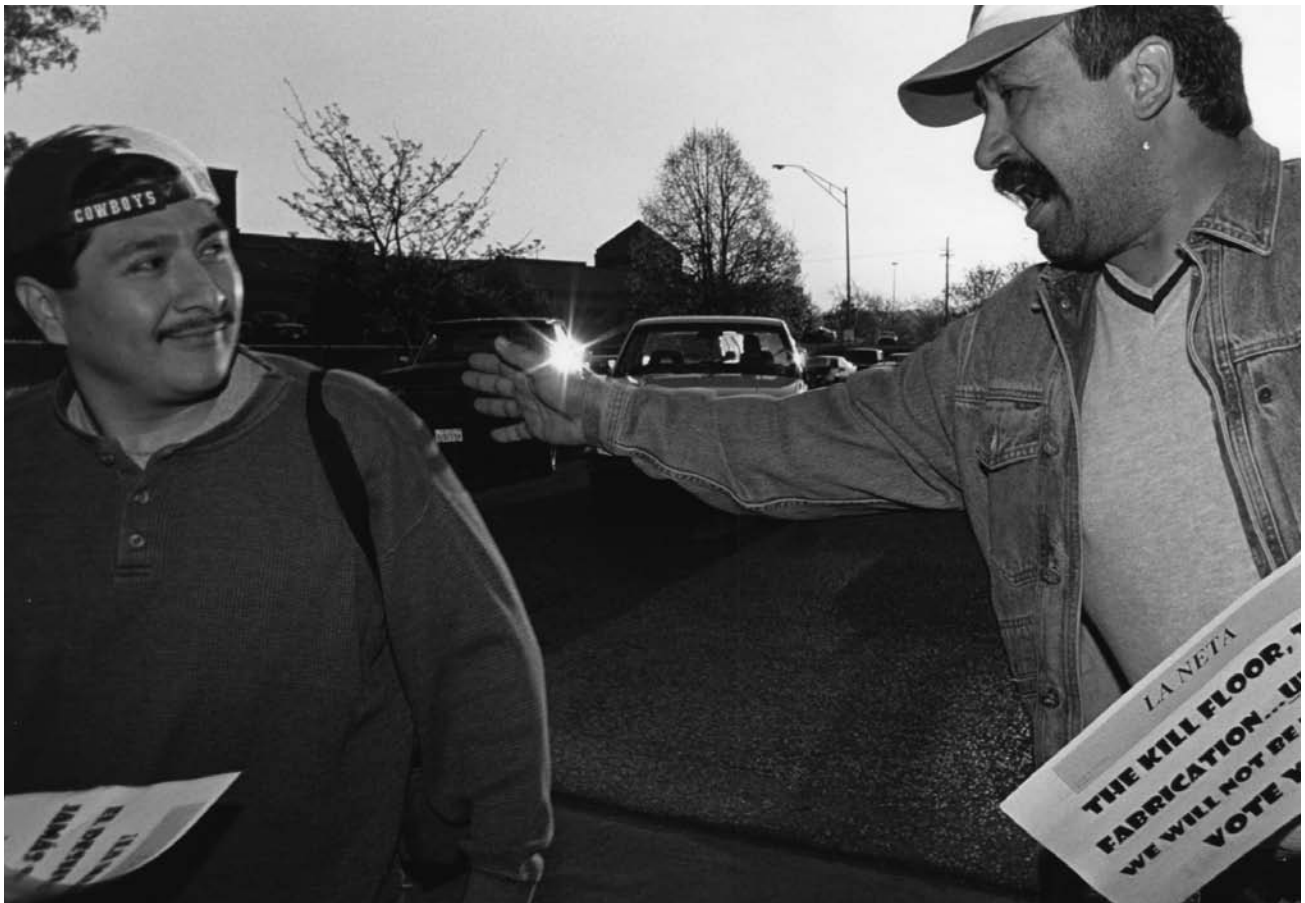
Guest worker proposals, advanced now even at the negotiations of the World Trade Organization, have two characteristics. They allow employers to recruit labor in one country and put it to use in another, and they tie the ability of workers to stay in their new country to their employment status. If they aren't working, they have no right to stay. These inevitably lead to a different social, political and economic status, in which workers don't have the same rights as those around them, and can't receive the same social benefits. Some bills in the U.S. Congress in recent years would have allowed some of the largest corporations to recruit and bring into the country, through labor contractors, as many as 800,000 people a year. And in the middle of the final debate in 2006 in which his proposal failed, President George Bush proposed to eliminate all family-based immigration, and allow people to come to the U.S. only when recruited by employers. Under his proposal almost all immigrants would have become guest workers.

### ONGOING RAIDS, PUNITIVE LEGISLATION, AND THE FIGHT FOR LEGALIZATION

The big immigrant rights marches of 2006 were followed by a dramatic increase in Federal raids at workplaces and communities. While Immigration and Customs Enforcement (ICE)

spokespeople explain they are intended to show the need for the administration's immigration program, ICE has also begun to implement many of the enforcement measures contained in the reform bills Congress didn't pass.

In 2007 Homeland Secretary Michael Chertoff proposed a rule requiring employers to fire any worker who couldn't correct a mismatch between the Social Security number provided to their employer and the SSA database. The regulation assumes those workers have no valid immigration visa. Some states and local communities, seeing a green light from the Department of Homeland Security, are passing measures that go even further. The Arizona legislature has passed a law requiring employers to verify the immigration status of every worker through a federal database called E-Verify, and fire workers whose names get flagged. Mississippi passed a bill making it a felony for an undocumented worker to hold a job, with jail time of 1-10 years, fines of up to \$10,000 and no bail for anyone arrested. Congress is now debating two bills, the SAVE Act and the New Employee Verification Act that would require similar use of the E-Verify database.



Tiberio Chavez leaflets workers going in on the morning shift at the ConAgra beef plant in Omaha, Nebraska, just before voting begins in the election to decide on whether they'll be represented by a union. Workers voted in favor of the union in a joint campaign by the United Food and Commercial Workers and Omaha Together One Community, a project of the Industrial Areas Foundation.

The 1986 Immigration Reform and Control Act made it a crime, for the first time in U.S. history, to hire people without papers. Defenders argued that if people could not work legally, they would leave. But undocumented people are part of the communities they live in. They will not simply go, nor should they. Trying to push people out of the U.S. who have come here for survival simply does not and will not work. And the price of trying not only increases the vulnerability of undocumented workers. It also depresses wages and working conditions across the board.

Unscrupulous employers use their vulnerability to deny undocumented workers the minimum wage or overtime, and to fire workers when they protest or organize. This affects workers in general. After deporting over 1000 employees of Swift meatpacking plants, Homeland Security Secretary Chertoff called for linking “effective interior enforcement and a temporary-worker program.” The government is again giving a cheap labor subsidy to large employers. Deportations, firings and guest worker programs all make labor cheaper and union organizing harder.

The third element in the corporate program is legalization, but in a program tailored more to protect employers from legal charges of hiring undocumented workers than helping families adjust their status. Congress’ comprehensive bills all would have imposed waiting periods from 11 to 18 years on immigrants applying for legalization, during which time they would be as vulnerable as ever. But their employers would be protected from violating employer sanctions, while they organized the recruitment of new workers through guest worker programs.

The “comprehensive immigration reform” compromise would have overturned one of the biggest accomplishments of the civil rights era. In 1964, Cesar Chavez, Ernesto Galarza and Bert Corona convinced Congress to end the bracero program. The United Farm Workers’ first grape strike started the following year. In 1965 Chicano civil rights leaders convinced Congress to pass a new immigration bill, setting up a system in which visas are granted to help people reunite their families. A pro-family, pro-community policy replaced the guest worker labor supply scheme. Today’s corporate program would replace family reunification as the criteria for immigration with recruitment by employers.

It is no wonder that native-born workers and settled immigrant communities look at the growth of this employment system with alarm. It fosters competition among workers for jobs and expands the part of the workforce with the lowest wages and the fewest rights. It is not hard for people to see the impact, even if they get confused about its cause.

## ADVOCATING FOR A MORE JUST FUTURE

Building a political coalition for a more pro-worker and pro-immigrant reform has to start by seeking mutual interest among workers. That common ground is a struggle for jobs and rights for everyone. Black unemployment, for instance, is at catastrophic levels, most often not a

result of displacement by immigrants but due to a decline in manufacturing jobs and cuts in public employment. In 2001 recession 300,000 out of 2,000,000 Black factory workers lost their jobs. But in the growing service and high tech industries, displaced African American and Chicano workers are anathema. Employers think they're too pro-union. They demand high wages that the companies don't want to pay.

In the last decade, unions have made real progress in organizing immigrants, and connecting migration to the effects of free market policies. In 1986 the AFL-CIO supported the Immigration Reform and Control Act because it contained employer sanctions. The AFL-CIO changed that position in 1999 and called for repeal of employer sanctions, amnesty for all undocumented people, immigration based on family reunification, and expanding the organizing rights of immigrant workers. It already opposed expanded guest worker programs because of their long record of abuse. As a result, immigrants today are the backbone of organizing drives from the Smithfield pork plant in North Carolina to Houston janitors and Cintas laundry workers. The unions that are growing are mostly those that understand the willingness of many immigrants to fight and join a union.

To win major changes in immigration policy, immigrant rights advocates must join their demands for immigration reform with the goals of African Americans, unions, and working-class communities. To end job competition, for instance, workers need Congress to adopt a full-employment policy. To gain organizing rights for immigrants, all workers need labor law reform and the Employee Free Choice Act, which would create a swifter and easier process to organize unions. Winning these demands requires an alliance between workers – immigrants and native-born, Latinos, African Americans, Asian Americans and whites. An alliance with employers, giving them new guest worker programs, will increase job competition, push wages down, and make affirmative action impossible.

“The governments of both Mexico and the U.S. are dependent on the cheap labor of Mexicans. They don't say so openly, but they are,” Dominguez concludes. “What would improve our situation is legal status for the people already here, and greater availability of visas based on family reunification. Legalization and more visas would resolve a lot of problems – not all, but it would be a big step,” he says. “Walls won't stop migration, but decent wages and investing money in creating jobs in our countries of origin would decrease the pressure forcing us to leave home. Penalizing us by making it illegal for us to work won't stop migration, since it doesn't deal with why people come.”

At the same time, whatever workforce is in the workplace should have basic rights, regardless of immigration status. It would be better to devote more resources to enforcing labor standards for all workers, instead of penalizing undocumented workers for working, and employers for hiring them. “Otherwise,” Dominguez says, “wages will be depressed in a race to the bottom, since if one employer has an advantage, others will seek the same thing.”



To raise the low price of immigrant labor, immigrant workers have to be able to organize. Permanent legal status makes it easier to organize. Guest worker programs, employer sanctions, enforcement and raids make organizing much more difficult. Today the section of workers with no benefits and the lowest wages is expanding the fastest. Proposals to deny people rights or benefits because of immigration status make this process move even faster. A popular coalition should push back in the other direction, toward more equal status, which will help unite diverse communities.

Outside the Washington beltway, community coalitions, labor and immigrant rights groups are advocating alternatives. Congress could, for instance,

- \* Give permanent residence visas, or green cards, to undocumented people already here, and expand the number of green cards available for new migrants.
- \* Eliminate the years-long backlog in processing family reunification visas, strengthening families and communities.
- \* Allow people to apply for green cards, in the future, after they have been living in the U.S. for a few years.
- \* Stop the enforcement that has led to thousands of deportations and firings, and demilitarize the border, so more people don't die crossing it.
- \* Respond to recession and foreclosures with jobs programs to guarantee income, and remove the fear of job competition
- \* Redirect the money spent on the wars in Iraq and Afghanistan to rebuilding New Orleans, refinancing mortgages, and restoring the social services needed by working families.

There is no shortage of needed work in the U.S., but budget priorities must be changed to redirect resources to the areas that will produce jobs and increased well-being. To resolve the dilemmas of migration and globalization, the U.S. needs a system that produces security, not insecurity.

Corporations and those who benefit from current priorities might not support this alternative, but millions of people would. Whether they live in Mexico, Guatemala, China, the U.S. or any other country, working people need the same things: Secure jobs at a living wage; Rights in their workplaces and communities; and the freedom to travel and seek a future for their families.

The borders between our countries should be common grounds to unite us, not lines that divide us.



A worker in Tijuana looks over the fence between Mexico and the U.S., trying to find a moment when the Border Patrol may not be looking so that he can go through the hole under it and cross. A Nahuatl legend says that when people go to the underworld, they are guided by a dog.

## USEFUL RESOURCES

National Network for Immigrant and Refugee Rights  
[www.nnirr.org](http://www.nnirr.org)

Red Mexicana Frente al Libre Comercio  
(Mexican Network Against Free Trade)  
[www.rmalc.org.mx/index.shtml](http://www.rmalc.org.mx/index.shtml)

Alliance for Responsible Trade  
[www.art-us.org](http://www.art-us.org)

The IBON Foundation  
[www.ibon.org](http://www.ibon.org)



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