THE NEGATIVE EFFECTS OF FREE TRADE AGREEMENTS ON SURVIVAL MIGRATION: THE MEXICO-US AND MOROCCO-EU AGREEMENTS COMPARED

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Abstract

MELINA JUAREZ: The Negative Effects of Free Trade Agreements on Survival Migration: The Mexico-US and Morocco-EU agreements compared
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Although immigration is not a new phenomenon, the changing dynamics of our modern world have put the issue at the forefront of national and international discourse. However, immigration is viewed as a voluntary act and is addressed differently from other forms of movement, such as those of refugees and asylum seekers.

Yet, immigration is often spurred by factors outside the immigrant's control. This paper examines the role of free trade agreements in creating and exacerbating the socioeconomic conditions that serve as push factors of immigration. Two case studies are analyzed: the North American Free Trade Agreement focusing on Mexico and the United States and the Association Free Trade Agreement between the European Union and Morocco. Both case studies are used as examples of the disruptive nature of free trade and to show how survival migration is an externality of such agreements.

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Introduction

Although immigration is not a new phenomenon, the changing dynamics of our modern world have put the issue at the forefront of national and international discourse. Public opinion regarding immigration fluctuates depending on the strength of the economy. During times of financial difficulties, like we are seeing presently, public opinion turns against immigration. The common notion is that immigration hurts local economies because immigrants take jobs from native workers and use up social services.

These perceptions of immigration are based on the belief that immigration is a voluntary act. It is believed that immigrants leave their homes voluntarily to seek out better lives in other countries, such as in the United States. However, in reality, voluntary immigration only applies to a small percentage of all immigrants. There are many factors that influence a person's decision to immigrate. One important factor is a poor economy in their native country.

Immigrants are pushed to leave their countries of origin when economic conditions are so unstable or poor that they can no longer sustain themselves. Countries with poor economies cannot provide sufficient jobs for all of their native workers or basic social services for their populations. These economic effects force people to look beyond their own borders for ways to sustain themselves and their families. Given these factors, it is necessary to reevaluate the concept of immigration. Immigrants are not only voluntarily leaving their homes; they are being forcibly displaced. This work will look at this subset of immigrants that abandon their homes due to the economic factors mentioned above.

This paper will explore this involuntary facet of immigration by looking at the phenomenon through a human rights perspective. It will attempt to add to the literature supporting the concept of the immigrant as an economic refugee. The topic of economic refugees has begun to take importance in the world of human rights. However, there is no international institutional framework in place to address the issue. The international community continues to follow the immigrant/refugee dichotomy, placing people in either category based on outdated international standards (Betts, 2010).

Refugee and immigration policies of nation-states rely heavily on the United Nations' terminology and charters. The U.N. defines a refugee as someone who, "owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality, and is unable to, or owing to such fear, is unwilling to avail himself of the protection of that country." (United Nations High Commissioner for Refugees, 2012).

This definition does not include economic rights or motives. Ghoshal and Crowley (2006) further define the concept of the refugee in order to distinguish between an immigrant and a refugee. According to their work, political refugees are those fleeing from persecution while economic migrants are fleeing from poverty (pp. 124). The *United Nations Handbook on Procedures and Criteria for Determining Refugee Status*, however, states that, "victims of general economic measures (i.e., those that are applied to the whole population without discrimination)" can qualify as refugees (as cited in Ghoshal and Crowley, 2006, pp. 131).

Under this expanded definition, it could be argued that poor economic conditions caused by free trade agreements help to qualify immigrants as economic refugees. To achieve this, the paper will examine the roles of free trade agreements in sender countries and how these agreements have affected their economies. The implementation of free trade agreements entails socioeconomic restructuring that disproportionately affect the poorest sectors of society. I argue that some forms of immigration are humanitarian issues because the root causes for such immigration are external and beyond the control of the immigrant. These external factors affect the basic survival capacities of immigrants, forcing them to emigrate from their countries.

This paper is structured as follows. First, I outline the difference between economic migrant and an economic refugee, and introduce the concept of survival migration. Then, I explain my methodological approach: case study analysis of the North Atlantic Free Trade Agreement (NAFTA) between Mexico and the US and the Association Agreement (AAEU) between the EU and Morocco. Following that, I explain the unintended economic consequences of the free trade agreements on the populations of Mexico and Morocco. In the final section, I show evidence of how the agreements have led to survival migration in these countries, creating a class of economic refugees. I conclude by summarizing my findings and suggesting that further research is needed on the causes and patterns of survival migration.

Economic Migrant vs. Refugee

The current regime dictating the international framework for refugee status reflects the conditions under which it was originally drafted. World War II caused massive waves of displaced peoples fleeing from persecution and the United Nations (UN) set out to create a refugee regime to aid nation-states in coping with these waves. This regime was mainly aimed at victims of the Holocaust and consequent displacements in Eastern Europe due to the Soviet expansion. As Betts (2010: 363) notes, “the refugee regime was created for a specific era and for specific circumstances”. However, new factors have emerged that have led to the displacement of peoples.

The antiquated directives of the refugee regime have led to patchwork conventions and treaties trying to address these emerging factors. Nation-states are left to create their own institutional responses while keeping in line with the outdated definitions outlined in the United Nations’ conventions. Nonetheless, the UN does make a distinction between a refugee and an economic migrant.

The UN defines an economic migrant as someone who, “voluntarily leaves his country […] moved exclusively by economic considerations”, (United Nations High Commissioner for Refugees, 1979, Chapter II); this has been used by the international community to perpetuate the migrant/refugee dichotomy. This definition of an economic migrant helps to quickly and easily classify those that are perceived to merit refugee status and protection, lessening the burden on nation-states in terms of cost and in the amount of people they accept into their countries.

Yet, as noted previously, the UN also adds further qualifications for distinguishing between an economic migrant and a refugee that have been greatly ignored by countries when applying the directives. The UN believes that victims of economic measures *could* possibly be considered refugees if those economic measures destroy the economic possibilities of a particular section of the population (United Nations High Commissioner for Refugees, 1979, Chapter II). These extended qualifiers have, however, been largely ignored.

This is a highly controversial issue. Economic measures, such as the free trade agreements discussed in this paper, are perceived as a necessary step in economic development for Third World countries. Acknowledging that these measures cause displacement of peoples is not politically viable in any industrialized nation. Acceptance of this fact would require the reevaluation of not only free trade, but of the entire economic from which it is derived, as well as a radical paradigm shift.

The refugee regime is the international safety net for displaced peoples (Betts, 2010). For economic migrants there are no international support mechanisms or immigration regime to respond to their needs (Farer, 1995). Despite the UN's lack of framework for addressing the issues of economic migrants, there have been some international responses that provide a preliminary basis for institutional action. This "hodge-podge" of rules and norms is mostly based on human rights directives (1995). The United Nations Commissioner for Refugees (UNHCR) has admitted the need for protection for those that fall out of the refugee regime and called for these new emerging norms to be complementary to the 1951 standards (Foster, 2009).

Alexander Betts (2010: 361) describes the concept of survival migration (economic migrants) as, "people who have left their country of origin because of an existential threat for which there is no domestic remedy". An existential threat would constitute any threat to a person's basic rights, which have been defined and accepted in the international arena as including the right to security, liberty, and subsistence.

Socioeconomic rights have been protected through various covenants signed in the years after 1951 and are considered important facets of human rights that merit protection. In 1976, two major international agreements entered into force that addressed socioeconomic rights: the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights.

The International Covenant on Economic, Social and Cultural Rights (ICESCR), entered into force on January 3, 1976. The ICESCR outlined a set of rights people are entitled to and that should be protected by the signatory countries: the right to work (Article 6), and the right to an adequate standard of living (Article 7) that includes sufficient levels of food, clothing, and housing (United Nations General Assembly, 1966a). Under the ICESCR, any state that is unable or unwilling to provide basic subsistence, including shelter and medical care, to their populations is found to be violating the Covenant (Foster, 2009, pp. 280).

The International Covenant on Civil and Political Rights (ICCPR), entered into force on March 23, 1976. Article 2 of the ICCPR states that, "in no case may a people be deprived of its own means of subsistence", (United Nations General Assembly, 1966b). It also calls for the protection of the right to freely pursue their economic, social and cultural development (1966b). These agreements helped to cement socioeconomic rights as parts of a broader definition of what constitutes human rights.

The United Nations Declaration of Human Rights signed in 1948, similarly guarantees socioeconomic rights. Five Articles of the Declaration outline these rights: Article 22 (right to social security), Article 23 (right to work and protection against unemployment), Article 25 (right to adequate standards of living), and Article 26 (right to free primary education and equally accessible higher education on the basis of merit) (United Nations General Assembly, 1946). Yet, there are no penalties for the violation of this particular set of rights within the Declaration.

The second element to Betts' (2010) definition of survival migration relates to the capability of states to provide domestic solutions or remedies to the problems pushing emigration. States must be able to guarantee and protect the basic rights of their populations. If a country is not willing or able to, survival migrants are forced to escape their deprivations, which constitutes crossing borders into other countries that will help them attain their basic rights.

Violation of a socioeconomic right is not directly stated by the UNHCR as a qualifier for determining refugee status. The fear of persecution is a deciding factor in the economic migrant/refugee dichotomy. A person who fears persecution falls under the category of a refugee, however, the term 'persecution' is used vaguely within UN directives. To the human rights community, 'persecution' is considered as any threat or violation of human rights (Farer, 1995). Therefore, economic migrants fearing the deprivation or being deprived of their basic human rights to subsistence and economic stability *should* be considered refugees under the scope of these Conventions.

Socioeconomic factors are not produced in a vacuum. They are strongly linked and formed by underlying political conditions. For example, as Betts (2010: 362) writes, "in Haiti, North Korea, and Myanmar […] significant numbers of people have fled neighboring countries not because of well-founded fear of individualized persecution, but more often because of serious deprivations of socioeconomic rights related to the underlying political situation".

Globalization and its externalities that cause the deprivation of socioeconomic rights need to be included into the refugee regime. In theory, socioeconomic rights are protected and guaranteed, but there are no safety nets at the international level that guarantee their protection. A new refugee regime model is needed to incorporate the growing phenomenon of economic refugees. Survival migration is an international phenomenon and requires and international response. An international institutional framework is needed to address the plight of economic refugees and to recognize the importance and scope of survival migration.

The next section will discuss the two case studies used for this analysis. The following sections will further expand each case study presenting information first for NAFTA and its effects on Mexico. This will be followed by the case of the AAEU and its own effects on the Moroccan socioeconomic landscape. A discussion will follow on how the effects of NAFTA and the AAEU have placed a great number of Mexican and Moroccan nationals on the track to survival migration.

Case Study Comparison: The NAFTA treaty between the U.S. and Mexico versus the AAEU treaty between the E.U. and Morocco

The North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico will serve as a case study in this analysis. I chose NAFTA primarily because of its scope and importance; it was one of the first major trade agreements signed in the Western Hemisphere. Signed in 1994, NAFTA created an area of commerce with 450 million people (Office of the United States Trade Representative, 2010).

NAFTA also involves two important actors in the world of migration: Mexico and the United States. Because the most important migration patterns occur between Mexico and the United States, only data for these two NAFTA members will be used. South to North migration patterns between Mexico and the United States predate NAFTA. However, contemporary mass migrations have surpassed the migration numbers of pre-NAFTA decades.

Apart from the geographical factor of a common border, the United States and Mexico have much common history. The borders of the American Southwest have shifted over the centuries creating pockets of Mexican-American communities within United States territories. These historical communities have served as bases for migrants through the decades.

Government policies also played a role in helping to strengthen networks and ties between communities in the United States and Mexico. Most notably, the guest workers or *Bracero* programs instituted during and after World War II helped to bring thousands of Mexican workers into the United States. Thousands of Mexican men were recruited and brought to work in American farms, orchards, and other important agricultural sectors (Garcia, 1980). The workers stayed throughout the crop seasons and many stayed on after the end of the program, both legally and illegally. The years spent working in the United States helped them create important networks and communities that would help newly arriving migrants in the decades to follow.

The second case study has similar connections between its actors. This paper will use the case of the Association Free Trade Agreement between the European Union and Morocco. Because analyzing the entirety of the European Union goes beyond the limits of this paper, only the data for Spain will be presented.

Spain was chosen because of its important historical and economic connections to Morocco. Like in the case of the United States and Mexico, Spain and Morocco are important actors in the world of migration. As some scholars (Collyer, Cherti, Lacroix, & van

Heelsum, 2009: 1555) have noted, “Moroccan migration is, by any measure, amongst the most significant in the world. It encapsulates all of the major changes that have occurred in the migration to Europe over the last few decades”. Moroccans constitute a large portion of the immigrant population in Spain. Similar to their Mexican counterparts vis-à-vis the United States, Moroccans have strong ties to Spain.

Spain and Morocco have centuries of shared history with periods of conflict and confrontation, but they also share many cultural and ethnic characteristics especially in the southernmost regions of Spain (Aguirrebengoa, 2000). Until gaining independence in 1956, Morocco was a Franco-Spanish ‘protectorate’. The northern regions of Morocco were under Spanish rule while the French ruled the southern region (Arango & Martin, 2005).

Morocco, also like Mexico, participated in guest workers programs with European countries. Beginning in the 1960’s and 1970’s, Morocco signed guest worker agreements with Germany, the Netherlands, and Belgium helping create a trajectory for migration into Europe. Once the guest worker agreements were finalized, many of the Moroccan workers stayed on and later brought their families to their new European homes (Collyer et al., 2009). These ties helped to create networks and communities for new immigrant arrivals, just as the case of Mexican migrants in the United States.

Another reason for the importance of the Morocco-Spain case study is due to the geopolitical weight of these countries in European politics. The decolonization process in North Africa left European-North African relations in the hands of the southern Mediterranean countries, mainly Spain, France, and Italy (Aguirrebengoa, 2000). Spain, however, has been seen as a leader in the creation of the European immigration policy regime due to its geographical and historical ties to the region, especially with Morocco.

This paper will explore the intended and unintended consequences of the Free Trade Agreements (FTAs) implemented in Mexico and Morocco. Primary focus will be placed on the processes of privatization and the changes to the agricultural sectors of these two countries and how these influence the dynamics of South to North migration patterns. It will also explore the concept of survival migration in the context of the FTAs and their disruption of international economies.

The North American Free Trade Agreement between the U.S. and Mexico

The North American Free Trade Agreement was signed in 1992, after years of negotiations between Canada, the United States, and Mexico. The Agreement took effect in 1994 and single-handedly created the biggest free trade area in the Western Hemisphere uniting a population of over 450 million people from three different countries. NAFTA's main objective was to create a free trade zone where capital, goods, and services could flow freely between borders. NAFTA also promoted investment and fair trade between the American, Mexican, and Canadian free trade area. (NAFTA Secretariat, 2013).

The Agreement eliminated tariffs and banned the implementation of any new custom duties on services and goods in the three countries. Before NAFTA, the United States levied high tariffs for their products from the steel, agriculture, and textile sectors (Thorbecke & Eigen-Zucchi, 2002). However, Mexican tariffs were decreased after signing onto the General Agreement on Tariffs and Trade (the GATT) in 1986 (2002). They continued to decrease in order to meet NAFTA's requirements.

Like in the United States, the Mexican textile industry was highly protected before the signing of the Agreement. Government quotas limited the import of both textiles and automotives. Import licenses similarly protected the Mexican agricultural sector and made the importation of American agricultural products difficult. Non-Mexican firms were not legally allowed to own land or factories on Mexican soil, creating difficulties for foreign investment (Thorbecke & Eigen-Zucchi, 2002).

Immediately after signing onto NAFTA, Mexico eliminated roughly fifty percent of all its tariffs on industrial goods imported from the United States (Trade Promotion Coordinating Committee, 2008). By 2008, all tariffs on U.S. agricultural exports to Mexico were to be eliminated (Trade Promotion Coordinating Committee, 2008).

A schedule for the elimination of tariffs was put into place to acclimate domestic sectors to the changes caused by the entry into free market competition with the United States and Canada. The tariffs on automobiles were cut by half after the implementation of the Agreement and the remaining tariffs for the automobile industry were to be phased out within the next ten years. The quotas for the textile industry also were to be reduced within ten years to allow American and Canadian firms access to the Mexican market. The Mexican financial sector was modified to allow American and Canadian access to ownership of Mexican land and firms. The liberalization of land and firm ownership was scheduled over the next seven years following implementation of the Agreement (Thorbecke & Eigen-Zucchi, 2002).

NAFTA also increased protection for intellectual property rights and came with clauses to protect investors and firms from any measures that would affect their ability to carry out business in any of the three countries. As Thorbecke & Eigen-Zucchi (2002: 648) point out, "under the national-treatment obligation, a government is prohibited from applying tougher standards to imported products than domestic ones". Investors and producers were guaranteed protection against measures that would put their products in uneven competition with domestic products. In order to prevent the violation of this clause, the NAFTA countries must get approval from all signatories before implementation of any economic measure relating to trade.

NAFTA created several bodies to handle the directives of the Agreement; one such body is the NAFTA Secretariat. The NAFTA Secretariat was established under Article 2002 of NAFTA and is responsible for resolving any trade disputes between the signatory countries. It also administers any disputes between the governments and private businesses. For example, in 2003 the multinational Corn Products International (CPI) filed a claim against the Mexican government for levying a tax on high fructose corn syrup in beverages. In 2008, a NAFTA Secretariat tribunal ruled on the side of CPI, forcing Mexico to pay $58.4 million to the multinational for its claimed losses (Carlsen, 2011). Mexico's reason for imposing the taxes had been to protect Mexican sugar cane producers due to the difficulty in entering the American cane sugar industry (2011).

NAFTA was championed as an agreement that would help Mexico develop and compete at a grander scale with first-world trading partners. American legislators also hoped that the increase in development would slow Mexican migration to the North, especially by undocumented people. Then president of Mexico, Carlos Salinas de Gortari was also a strong advocate of NAFTA and joined the chorus of those claiming it would slow immigration. He toured the United States and Mexico giving talks on how NAFTA would create employment in Mexico that would reduce Mexican migration to the United States (Bacon, 2008: 53). However, as will soon be discussed, immigration from South to North drastically accelerated after the implementation of NAFTA.

By allowing itself to be turned into an economic laboratory, Mexico hoped for greater prosperity. Yet, the process of liberalization meant the loss of sovereignty over many aspects of its economy. The structural adjustment necessary for the implementation of NAFTA and to comply with the directives of the consequent International Monetary Fund bailout (to be discussed in the following section) led to an important socioeconomic and political crisis in Mexico. As researcher Laura Carlsen (2011) writes, “the nation that was slated for prosperity when it signed NAFTA has become an international example of severe structural problems”.

In the following section, I explore the variety of ways NAFTA changed the Mexican socioeconomic landscape from privatizations to the effects of the elimination of subsidies.

Privatization Wave

Years before the signing of NAFTA, the Mexican government put forward measures that drastically altered the Mexican socioeconomic landscape. These changes were meant to prepare the Mexican economy for the implementation and enforcement of NAFTA directives. They were designed to help Mexico benefit fully from the supposed bounty the neoliberal reforms would bring to the Mexican people.

In 1994, despite the reforms, foreign investment in Mexico shrank following a panicked sell-off of Mexican government bonds by U.S. speculators. With the help of U.S. president Bill Clinton, the then-president of Mexico, Ernesto Zedillo brokered a deal with the International Monetary Fund (IMF) in 1995. The IMF ordered a $20 billion bailout for the Mexican economy conditioned by a strict package of reforms, mainly privatizations (Bacon, 2004: 45). The IMF sought to open the many Mexican state-owned enterprises to multinational corporations (MNCs) despite their historic roots dating to the Mexican

Revolution of 1910. Because the wave of privatizations goes beyond the scope of this paper, I only present the reforms to the *ejido* land structure and to the banking sector, which compose an important part of the reforms package.

Land and liberty: Changes to the Mexican constitution. Land rights have been a divisive issue throughout Mexican history. Since gaining independence from Spain, there has been a constant struggle for the right to land, culminating in the Mexican Revolution of 1910. Apart from calling an end the dictatorship of Porfirio Diaz, a key demand of the revolutionaries was access to the fertile lands of Mexico monopolized by wealthy foreigners and the Mexican elite. The famous peasant leader, Emiliano Zapata, whose rallying cry was 'tierra y libertad'- land and liberty, embodied these demands.

In 1917, a new Mexican constitution was drafted that included the demands of Zapata and millions of peasants to return Mexican lands to the Mexican people. Article 27 of the new constitution proclaimed all land and subsoil minerals as property of Mexico and all Mexicans (Speed, 2008: 44). Between 1917 and 1991 over 100 million hectares of land were redistributed (Alvarado, 2008).

The parcels of land were quite small ranging from one to five hectares and were distributed communally and individually. The parcels of land or *ejidos* were formally owned by the Mexican government and could not be bought or sold by non-Mexican citizens, making it difficult for foreign investments to penetrate into the Mexican agricultural sector.

However, NAFTA directives required the liberalization of all sectors of the Mexican economy and Mexico was forced to alter its constitution. In 1995, President Zedillo led the way in modifying Article 27 to allow foreign ownership of Mexican land (Bacon, 2004: 124). Multinational corporations rushed to buy out subsistence farmers from their small plots of land, helping recreate the huge latifundios the 1910 Revolution fought to destroy. As Bacon (2008: 58) writes, “reforms began the reconcentration of land in the hands of wealthy investors and agricultural companies, while many *ejidarios* became agricultural wageworkers or left for the cities”. It has been reported that approximately two million Mexican farmers were displaced by the change in Article 27 and by the eventual flood of foreign buyers (Carlsen, 2011).

The banks, Foreign Direct Investment, & the job-creation myth. To open the Mexican economy to foreign investors as directed by NAFTA and the IMF, the Mexican banking system was sold off to international capitalists (Faux, 2003). The biggest movement of capital under NAFTA was not a product of trade, instead, it came through banking acquisitions and mergers, most important of which was “Citibank’s purchase of Mexico’s main bank, Banamex”, (Flores-Macias, 2008).

It was believed that privatization of the banks would lead to an increase in foreign direct investment (FDI). The new surge of foreign capital would help the Mexican economy expand and grow to be an important competitor in the free market. However, due to the 1995 *peso* crisis, foreign investors lost confidence in Mexico. Faux (2003) notes that, “lending to Mexican business actually dropped from 10 percent of the country’s gross domestic product in 1994 to 0.3 percent in 2000”. Inflation also increased from 7.1 percent in 1994 to 52 percent by 1995, prompting banks to cease lending (Flores-Macias, 2008). The newly privatized banks opted out of loans that would develop Mexico’s internal economy and instead focused on high-risk consumer lending with faster repayment schemes (Faux, 2003).

Trade liberalization and the FDI flows that would follow it were touted as the panacea for Mexican poverty and inequality. However, the FDI flows did not serve to develop the

Mexican economy or create jobs. Instead, the FDIs to Mexico were insufficient to prompt adequate job growth and have, "actually been associated with some trends enhancing inequality", (Alvarado, 2008). The Mexican economy has grown at a stagnant rate of 2.8 percent per year from 1994 to 2005, putting it behind South Korea and Ireland two favorites of free trade proponents (2008).

A year after the implementation of NAFTA, Mexico lost 1 million jobs (Bacon, 2004). And while the FDIs after NAFTA did create 4.4 million jobs in the period between 1994 and 2002, an estimated 6.5 million people entered the Mexican workforce in the same period leaving 2 million jobless (Alvarado, 2008). The jobs created were mainly in sectors focused on export production. Although the *maquiladora* (factories producing solely export products) industry had been present in Mexico before NAFTA, in 1994 this sector surpassed both tourism and oil as Mexico's top earner. In that same year, the *maquiladora* workforce increased by more than six percent, adding six hundred thousand jobs to the Mexican economy (Bacon, 2004). *Maquiladoras* operated in the northern border region of Mexico and relied heavily on cheap Mexican labor. Workers at these factories produced and assembled products for exportation, mainly electronics and textiles and helped to produce 53% of the total Mexican exports (Heredia, 2000).

It was believed that the FDI flows would, "create jobs and raise wages as a result of technology transfer and competition", (Flores-Macias, 2008). As with the case of the *maquiladoras*, FDIs were directed at areas that already had some industrial capabilities. This meant that the investment flows have, "aided to enhance the pre-existing regional disparities between the industrial northern and central regions and the poorer south and southeastern regions", (Alvarado, 2008).

The ‘technological transfer’ brought through FDIs were implemented in export-producing sectors, such as *maquiladoras*, and did not reach other sectors that continued to be labor intensive. FDIs also failed to have a positive affect on wages. In 1995 the average monthly earnings of a Mexican worker were 3,067.87 Mexican *pesos*; in 1997 those wages dropped to a low of 2,550.74 starting an upward trend that culminated at 3,245.54 *pesos* by 2004 (Alvarado, 2008).

The privatization of industries also caused the decrease in wages. For example, longshoremen working at nationalized Mexican ports in the late 1980s earned an average of $100 to $160 (U.S. dollars) a day, today those wages have been cut in half to $40 to $50 per day (Bacon, 2008: 59). As economist and Mexican government official, Carlos Heredia (2000: 4) stated, “trade liberalization sharpens structural inequalities and income disparities in the Mexican economy. This is unequivocal”.

Competitive Advantage and Food Security

NAFTA was drafted following the principles of competitive advantage. The competitive advantage model requires countries to focus production on crops that have a higher yield rate with lower costs than their trading partners (Carlsen, 2011: 2). For Mexico, this meant a reduction in production of major crops that could not compete in the market with U.S. or Canadian competitors. These crops included maize, barley, soy, beans, and wheat. These crops, however, constitute a major portion of Mexican food staples.

The shift in production and agricultural structure affected the Mexican socioeconomic landscape in various forms. The following sections will further detail the changes required by NAFTA and their effects.

Agricultural Subsidies. Article 704 of the North American Free Trade Agreement states that countries involved in the Agreement shall only conduct governmental support measures (subsidies) that, “have minimal or no trade distorting or production effects” (NAFTA Secretariat, 2013). Both Mexico and the United States had agricultural subsidy programs in place pre-dating the implementation of NAFTA. Yet, although the signing of the Agreement required both parties to reassess and modify their programs to meet the requirements set forth in NAFTA, farmers in the United States still enjoy higher government aid than Mexican farmers (Alvarado, 2008; Faux, 2003).

Beginning in 1991, the Mexican government created governmental agencies charged with aiding the agricultural sector. That year the Agricultural Marketing Board (ASERCA in its Spanish acronym) was founded in order to provide support for producers in surplus-producing regions (Yunez-Naude & Paredes, 2004). In 1995 in preparations for NAFTA, a new set of direct payment subsidies was introduced. This program called Procampo gave direct assistance to farmers based on hectare ownership (Alvarado, 2008: 81). Procampo funds were directed at farmers producing basic staple crops, including: barley, beans, maize, cotton, soy, sunflower, and wheat (Yunez-Naude & Paredes, 2004).

The shift to crops where Mexico held a competitive advantage began in 1995. To aid farmers in this shift in production, the Mexican government introduced ‘Alianza por el Campo’ (Aliance for the Countryside). Alianza promoted agricultural efficiency by helping farmers shift crop production and by helping them attain better technology and modern equipment (Alvarado, 2008).

The subsidies implemented by the Mexican government were meant to cushion Mexican producers from the highly subsidized American products entering the market during the fourteen-year grace period allotted in the Agreement. However, two factors impeded the efficiency of this tactic. First, despite the subsidies for Mexican farmers, the United States Congress continued to expand and increase subsidies for American agriculture.

Faux (2003: 2) writes, "Funding for farm programs [in Mexico] dropped from $2 billion in 1994 to $500 million by 2000. Meanwhile, the U.S. Congress massively increased subsidies for corn, wheat, livestock, dairy products and other farm products exported to Mexico. American farmers now receive 7.5 to 12 times more in government help than Mexican farmers do". Hufbauer and Schott (as cited in Alvarado, 2008) reveal that in the period between 1998 and 2000, the average subsidy from the U.S. government to an American farmer was $20,803 per year; Mexican farmers on average only received $740 from the various Mexican subsidy programs. Mexican farmers could not compete with their American and Canadian counterparts. The price for maize dropped dramatically. Table 1 compares maize prices for all three NAFTA countries, beginning in 1991.

Table 1 NAFTA Maize Prices per kilo

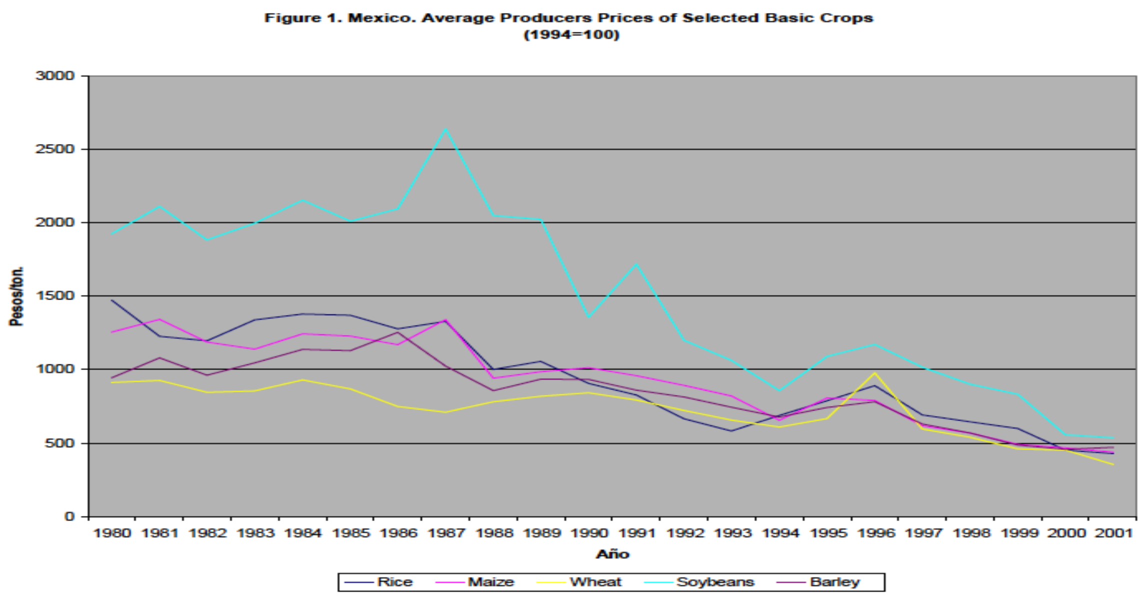
Year	Canada	Mexico	United States
1991	2.22	4.39	2.37
1994	2.23	4.11	2.26
1996	2.71	3.96	2.71
1998	1.86	3.65	1.94
2000	2.02	3.78	1.85
2002	2.32	3.69	2.32

2003	2.15	3.75	2.20
Change over time	0.07 (-3.15%)	0.64 (-14.58%)	0.17 (-7.17%)

Adapted from (Alvarado, 2008, pp. 80). Data are average prices in U.S. dollars.

The prices for Mexican corn in 1991 reflected the highly subsidized condition of the crop, yet as the years after NAFTA progressed a general downward trend in prices becomes evident. Out of the three competitors, Mexican maize lost the most value. From 1991 to 2003, Mexican maize producers lost an average of sixty-four cents, while Canadians only lost seven cents and American farmers seventeen cents (Alvarado, 2008). The trends in Canadian and American corn prices also show fluctuations and losses; however, overall the decrease in prices is minimal compared to those of their Mexican counterpart.

Figure 1 shows the price fluctuations for the other important Mexican crops: rice, wheat, soybeans, and barley from 1980 through 2001. Like the case of maize, the trend in prices is downward for all other basic crops. Approximately eighty percent of all Mexican agricultural land was used to cultivate these basic crops (Alvarado, 2008: 82), making the shift away from their production a major dislocating process that reverberated through out Mexico.



Source: Yunez-Naude & Paredes "Mexican Agriculture 10 Years After NAFTA Implementation", (2004).

The second factor affecting the efficiency of the subsidies is the speed of liberalization of the agricultural sector- Mexico did not utilize the full grace period for introducing American agricultural goods. Instead, Mexican officials allowed imports of corn over the allotted NAFTA quotas for every year beginning in 1994. This was due to the high demand from the livestock and starch industries. It was also thought that flooding the Mexican market with cheap American corn would help drive down domestic prices and combat inflation (Alvarado, 2008).

Food Prices. However, deviating from the quota system proved to have the opposite effects of what Mexican officials had hoped. The years following the implementation of NAFTA saw a drastic increase in Mexican food prices. Prices for staple foods such as maize, a key ingredient in *tortillas* (a fundamental component of the Mexican diet), increased dramatically.

David Bacon (2004) tracked the changes in basic foodstuffs in the northern Mexicali Valley, an area that experienced the dramatic shift in agricultural production from basic foods to seasonal vegetables and fruits as dictated by competitive advantage. Table 2 below illustrates the price changes from 1995 to 1997.

Table 2 Food Prices in Mexico

Product	1995	1997
Chicken (kilo)	4	10
Milk (gallon)	7	17.50
Beans (kilo)	3.50	9

Adapted from (Bacon, 2004, pp. 35). Prices are in Mexican Pesos.

Despite the price increases, wages for agricultural workers (the principal industry of the region) in Mexicali stagnated. In 1996, workers in the onion fields would receive an average wage of 50 Mexican pesos per day (6.87 U.S. Dollars in 1996) (Bacon, 2004). This meant that families' wages would go mostly for food.

Food Insecurity. Gonzalez (2002: 469) defines food security as, "physical and economic access by all people at all times to sufficient, safe, and nutritious food to maintain a healthy and active life". It is found that the most food insecure countries are those that have a combination of 'inadequate domestic production with heavy reliance on a small number export commodities for foreign exchange revenue", (Gonzalez, 2002: 473). Post-NAFTA implementation Mexico meets the definition of food insecurity based on these qualifications.

Under NAFTA, Mexico follows the food security trends dictated by the neoliberal free market. This means that countries are considered 'secure' if it has enough money to import its food (Carlsen, 2011). This goes hand in hand with the principal of competitive advantage because it allows Mexico to focus on the production of export crops. Lowering of the trade barriers in Mexico made the importation of food cheaper than to continue domestic production of major food staples; and the price difference serves as, "disincentives to domestic food production and encouraging reliance on imported food", (Gonzalez, 2002: 474). The reduction of the subsidies given by the Mexican government also helped in slowing domestic production by limiting the tools, such as research and technology, that helped improve the competitiveness of domestic production

Laura Carlsen (2011) outlines the dramatic increase on import dependence. She notes that before NAFTA, Mexico spent only $1.8 billion (U.S. dollars) on food importation, but in 2011, 17 years after implementation, Mexico imported a total of $24 billion worth of food (Carlesen 2011). Mexico is now the world's number one importer of powdered milk, an indicator of infant malnutrition (2011). According to the Yunez-Naude & Paredes (2004), for the period between 1983 and1990, Mexico imported a total of 7,157.12 metric tons of basic crops (barley, beans, maize, sorghum, soybeans, and wheat). This number more than doubled to 16,184.92 metric tons for the 1994-2001 period, with maize, sorghum, soybeans, and wheat more than doubling their import numbers (Yunez-Naude & Paredes, 2004).

Mexico now imports 80% of its rice as well as 95% of its soybeans and 31% of the beans for consumption (Carlsen, 2011). If current importation trends continue, Mexico will soon import almost 80% of its total food consumption transforming it into a food dependent country (2011). The number of people in Mexico living in food poverty (unable to purchase basic foodstuffs) has only continued to rise in the last decade. In 2008, eighteen million Mexicans lived in food poverty, this number increased by two million in 2010 sending the total number of Mexicans in food poverty to twenty million (2011). Carlsen (2011) also writes that in 2011, there were a reported 728,909 Mexican malnourished children under five years of age.

The Association Agreement between the European Union and Morocco

While Mexico and the United States were signing NAFTA, Morocco and the European Union began talks to implement their own free trade agreement in 1992 (Rutherford, Rutström, & Tarr, 1997). The Agreement propelled by the French-Spanish EU presidency of 1995 was signed by Morocco in 1996. Given the conditions of Morocco's industrial capacities, the Association Agreement included monetary aid that would be earmarked for specific infrastructure projects and towards improving and expanding access to education (Löfgren, El-Said, & Robinson, 20001: 133). This aid package would be implemented during the first five years of the Agreement.

Although Morocco signed the Agreement in 1996, it was not fully ratified by the EU member countries until the year 2000. Once in place in 2000, Morocco was given a twelve-year timetable for the implementation of the Agreement directives. The Agreement declares that the main objective of economic cooperation between the EU and Morocco is, "to support Morocco's own efforts to achieve sustainable economic and social development", (European Union, 2000: 12). This main objective is to be supported through three main principles: reciprocity (open access to each party's markets), asymmetry (EU markets more open than

Morocco's due to advantages in industrial/agricultural capabilities), and the gradual liberalization of Morocco (Frances & Corron, 2004: 70).

The liberalization directives included clauses that aimed at protecting Moroccan industries. Article 14 of the Association Agreement with the European Union (AAEU) allows Moroccan authorities to implement temporary measures aimed at protecting industries or firms that are undergoing restructuring. The measures would be put in place if the difficulties facing these firms or sectors will "produce major social problems". These special measures cannot be implemented for more than five years and import duties placed on European products through these measures cannot exceed 25% *ad valorem* (European Union, 2000: 6).

The AAEU also calls for the abrogation of official state aid that distorts competition, with the exception of those sectors outlined in the European Steel and Coal Community agreement. The state subsidies were given a grace period of five years, after which the Moroccan government can petition for another five-year extension if necessary (2000: 10). Funds used for infrastructure and restructuring of industry are included within this category of state aid, allowing Morocco to enhance its competitiveness during the first years of the Agreement.

The AAEU sets timetables for the removal of tariffs for different sectors. Some industrial goods, such as machinery, already had tariffs as low as 2.5 percent and were immediately removed. Depending on the nature of the goods, different timetables were implemented. For example, goods contained within Annex 3 of the Agreement, mainly raw materials for the production of export goods, were scheduled to decrease by 25 percent per year beginning in 2000. The average tariff rate for goods in Annex 3 stood at 75 percent, meaning that total removal of tariffs in this sector would be completed by the year 2003 (Frances & Corrons, 2004: 71).

Special protection was given to goods in Annex 4. These are goods produced in Morocco whose sectors would face intense competition in the open European market: wicker products, cosmetics, clothing, handcrafted goods, automobiles, and pharmaceuticals. A grace period of three years was allotted for Annex 4 goods, but beginning in 2003 tariffs were decreased by 10 percent per year (2004: 70-71). Tariffs for these goods were completely eliminated by 2012.

Similar to NAFTA, the AAEU includes directives allowing for the liquidation and repatriation of profits by foreign firms. Article 34 guarantees the free movement of capital and profits (2000: 10). Yet, the AAEU does not include the same clauses for the movement of workers. The Agreement includes language relating to Moroccan workers legally present and authorized to work in Europe, stating that these authorized workers will be afforded the same non-discriminatory treatment and benefits as European workers. Undocumented workers are specifically cast out of these protections.

The Agreement states that, "the provisions […] shall not apply to nationals of the Parties residing or working illegally in the territory of their host countries", (2000: 16). For the case of NAFTA, there is no specific clause addressing the issue of an undocumented or irregular workforce. Instead, the United States and Mexico entered into a separate agreement aimed at dispelling the criticisms of NAFTA for lacking mechanisms for coping with the displacement of workers it had caused. The North American Agreement on Labor Cooperation was signed by the United States, Mexico, and Canada in 1993 (United States Department of Labor, 1993).

The issue of undocumented immigration is the source of much tension between Europe and North Africa, much like it is between the United States and Mexico. The French-Spanish presidency gave strong impetus to the AAEU viewing it as a means to further involve Morocco in the issue of clandestine immigration into Europe. Morocco's geopolitical characteristics position it as both an important sender of immigrants and as a transition point in step-migration. Since the early 1990's, Spain and Morocco have sought to cooperate on diminishing the undocumented immigration flows stemming from the North African country. The aid packages included within the AAEU were brokered through these negotiations and meant to entice Morocco into assisting the EU in "stopping illegal immigration", (White, 2001: 29).

Despite the hopes of reducing undocumented immigration, the consequences of liberalization set the stage for increased migration from Morocco to Spain and to the rest of Europe. White (2001: 27) notes, "as Morocco begins to implement an Association Accord […] its economy will undergo sharp economic dislocations that will likely increase migration pressures to Spain". Much like the supporters of NAFTA promised economic growth to Mexico, the EU had raised the hopes of economic prosperity for Moroccans. When the gains of the AAEU failed to materialize and instead helped fuel inequality, many Moroccans were placed on the path of survival migration.

The next section will outline the unintended effects of the Association Agreement. It will discuss how these effects contributed to the growth of inequality and poverty in Morocco. Given the recent completion of the free trade area in 2012, data discussed in this section will focus primarily on the years before and during implementation of the AAEU directives and their immediate impacts.

Privatization Wave

Morocco has been on the path towards liberalization since the early 1980's. In 1983, Morocco began the implementation of structural adjustment measures dictated by the development loans from the IMF and World Bank. These measures included a series of privatizations and reduction of price controls (Davis, 2006). Along with these measures, the Moroccan government began a modernization program the *mise à niveau.* This program was meant to attract foreign investment by modernizing and revitalizing local Moroccan industries (Marquez, 2000).

Further liberalization was pursued in the years before the signing of the AAEU. The first years of the 1990's saw a progressive dismantling of Morocco's tariff regime. By 1993, Morocco was poised to lower some tariffs to a maximum of 45% and revoking import-licensing requirements (Rutherford, et al, 1997).

Land, Finances, and Job Creation. The state of Moroccan agriculture is very precarious due to its high dependence on rainfall. The 1990's were years mired with agricultural instability due to intense bouts of drought followed by periods of heavy rains (Arango & Martin, 2005: 261). Despite the instability of this sector, agriculture continues to be an important part of the Moroccan economy. In 2001, a report by the Organization for Economic Development and Co-operation (OECD) reported that agriculture constituted roughly 20 percent of Morocco's GDP and was responsible for 45 percent of all jobs (Löfgren et al, 2001: 130). This rate is higher in rural areas where in 1994 agriculture employed 70 percent of the workforce (2001: 130).

Landownership patterns in Morocco vary greatly from those of Mexico. This is primarily due to Morocco's monarchical regime and colonial legacy. The reinstatement of the monarchy in Morocco in 1956 served to concentrate the best agricultural lands in the hands of the royal family and elites. There are roughly 8.7 million hectares of cultivatable land in Morocco (Arango & Martin, 2005: 261). Yet, the majority of this land is under the ownership of the royal family, including much of the 1.2 million irrigated hectares. "These irrigated areas, said to be controlled by the king's extended family in cooperation with foreign firms, provide 80 percent of Morocco's citrus and wine grapes and 33 percent of its vegetables", (2005: 261). Vegetables and fruits are major agricultural export goods for Morocco (Löfgren et al, 2001: 130). The unequal ownership of the best-irrigated lands leads to serious inequality in the access to markets and to the distribution of profits.

The royal family has used the liberalization process to acquire not only land, but also firms creating monopolies in different sectors. In 1990, Morocco passed the privatization law that mandated the opening of 40 percent of state-owned companies (Davis, 2006: 92). Moroccan officials have embarked on a process of 'selective privatization', a process that has conveniently led to the acquisition of liberalized enterprises by the royal family. As Davis (2006: 92) notes, "the royal family's holding company […] Omnium Nord Africain, a financial empire built up by the King Hassan II and one of the largest enterprises in Africa, has purchased many of the Moroccan companies privatized".

Similar to the Mexican example, the largest involvement of foreign capital in Morocco has come through acquisitions facilitated by the privatization of state enterprises. In 1999, Morocco sold a fifteen-year contract for its mobile telephone license (GSM) for $1.1 billion. Then in 2000, the French telecommunications conglomerate, Vivendi, bought a 35 percent stake in Maroc Telecom, the Moroccan state-owned telecommunications company. The selling of the shares provided Morocco with a windfall of $2.2 billion (Denoeux, 2001: 75).

The revenue from these sales helped Morocco balance its budget for those fiscal years. However, these one-time sales could not be counted on to fill the budget gaps left from the removal of tariffs, which constituted an important source of government revenues. Futhermore, FDIs for the later part of the 1990's only averaged about $300-400 million per year (White, 2001: 28).

Also similar to the case of NAFTA and Mexico, the AAEU failed to deliver on the promises of job creation. Sources vary in their estimates of how many jobs the Moroccan economy has created in the late 1990's; some analysts cite 200,000 (Denoeux, 2001: 69) while others put the estimate between 89,000-120,000 (Garcia, 2000: 217) jobs per year. Yet, these figures still fail to absorb the number of new entrants to the job market, which averaged 300,000 per year for that same period in the 1990's (Denoeux, 2001: 69). Unemployment steadily rose from seventeen percent in 1997, to 18 percent in 1998, to twenty-three percent in 2001 (2001: 69). Youth aged 15-34 were especially affected constituting 83 percent of those unemployed (Garcia, 2000: 217).

Various sectors suffered from job losses. In 2000 alone twenty-two thousand jobs were lost in the textile industry, fifteen thousand lost in agriculture, and ten-thousand jobs were lost in manufacturing (Denoeux, 2001: 74). The Moroccan population was growing at three percent per year (Marquez, 2000: 73). Steady population growth coupled with a stagnant economy only exacerbated the already high levels of poverty in Morocco.

Competitive Advantage and Food Security. Despite gaining access to the European Union's markets, Morocco's main exports (fruits and vegetables) faced intense competition. Much like the situation with Mexican maize, Moroccan fruits and vegetables faced many barriers resulting from unfair advantages to their European competitors.

Spain has similar climate regions to Morocco and produces similar agricultural goods, such as oranges, grapes, and tomatoes (White, 2001: 27). Spain and Italy are the EU's largest producers of vegetables sharing 50% of the market. They also constitute two-thirds of all EU tomato production (European Commission, 2007: 41). Spain possesses over 25 million hectares of agricultural land of which 25% is arable (2007: 40). Over eleven percent of this land is utilized for permanent crops. In 2000, Spain cultivated 288 thousand hectares of citrus trees alone (2007: 50).

Despite Morocco having to remove its tariffs and subsidies for various goods, its EU competitors still benefit from agricultural subsidies. Table 3 summarizes the breakdown of subsidies for the chosen EU countries for the period between 1995 through 2005. The subsidy figures were chosen for Spain, France, and Italy due to their high competition rate with Moroccan agricultural products.

Table 3 EU Agricultural Subsidies, 1995-2005 (in millions of €)

Country	1995	2000	2005
EU-25	34377	38401	48655
Spain	4242	4895	6493
France	8030	8152	9685
Italy	2938	4794	4417

Source: European Commission (2007: 28).

Survival migration from Mexico to the U.S. and from Morocco to Spain

The socioeconomic externalities of NAFTA and the AAEU can be classified as migration push factors. The mass dislocation of farmers along with the insufficient job growth greatly impacted the economic security of the Mexican and Moroccan populations. The stagnant wages and high unemployment and underemployment numbers coupled with rising food prices create unstable economic conditions. These factors aid the decision to migrate for many households (Massey, 1998).

Although Mexican immigration to the United States is a historical trend due to proximity and historical ties, immigration numbers have heavily increased since the implementation of NAFTA. NAFTA required the liberalization and mobility of capital and resources; however, the movement of workers was not included in the requirements. As Massey (1998: 25) writes, "The consolidation of Mexican markets under NAFTA, in short, unleashed precisely the sort of social, political, and economic transformations that have served as engines of international migration elsewhere in the world".

International migration, however, was not the first choice for many Mexican immigrants. International migration to the United States was preceded by internal migration from the rural farming areas to urban industrial regions. Yet, as discussed earlier, FDI investments failed to create the urban job growth touted by proponents of NAFTA. The urban areas were unable to absorb the surplus labor seeping in from rural Mexico (Faux, 2003).

During the 1980's, immigration numbers averaged constantly at 170,000 border crossings per year (Flores-Macias, 2008). The years of reforms leading up to the implementation of NAFTA saw a sharp increase in the number of Mexicans entering the United States; the period of 1990 through 1993 reached 330,000 people immigrating to the United States (2008). The number of Mexicans entering the United States jumped by 61% to 550,000 in the year 2000 and continued to grow to 500,000 for each consecutive year (2008). Undocumented immigration increased from 79% to 87% of total migration (2008).

Although not stated directly in the Agreement, it was hoped and unofficially touted that NAFTA would serve to decrease the flow of South to North migration. Alvarado (2008: 75) writes,"one of the hopes on both sides of the U.S.-Mexico border was that increasing economic integration with the U.S. through trade and investment linkages […] would aid in improving living standards and employment in Mexico, and thus reduce unauthorized immigration". While trade and FDIs did serve to integrate the Mexican and American economies, the export-focused Mexican economy is now highly vulnerable to economic fluctuations in the U.S (as cited in Alvarado, 2008: 77) .

The effects of the AAEU mirror those of NAFTA, including serving as an engine for rural to urban migration within Morocco. Spanish scholar Jose Maria Mella Marquez (2000: 84) distinguishes between two types of poverty within Moroccan society- 'classical' poverty and 'modern' poverty. 'Classical' poverty refers to the systemic poverty of the rural areas caused mainly by the legacy of colonialism. This form of poverty is characterized by poor living standards, such as little or no access to basic fundamentals like water or education.

'Modern' poverty, on the other hand, is a recent phenomenon revolving around the rural to urban migration patterns that have developed in Morocco. 'Modern' poverty is a result of urbanization and refers to the material conditions in which rural migrants find themselves once in the cities. In contrast to 'classical' poverty, 'modern' poverty encompasses many issues of exclusion that lead to poverty, such as exclusion from: the job and consumer markets, housing, and civil society (in terms of the vulnerability of this segment of the population to drugs, crime, and violence).

While 'classical' poverty has been constant since the colonial era in Morocco, the development of 'modern' poverty has gone hand in hand with the era of liberalization. Urbanization in Morocco began in earnest during the implementation of the structural adjustment schemes dictated by the IMF and World Bank in the 1980's. Rural population by the early 1990's constituted less than 50 percent of Morocco's population, yet, 70 percent of the poor were found in rural areas (Löfgren et al, 2001: 131).

In 1991 the poverty rate in Morocco stood at 13.1 percent (Löfgren et al, 2001: 132). By 1999, the poverty rate had risen to 19 percent meaning that 5.31 million Moroccans survived on one dollar per day (Denoeux, 2001:70). The early 1990's marked the beginning of a drastic decline in living standards for Moroccans. Davis (2006: 91) summarizes the changes, "about one-third of Moroccan territory suffers infant mortality rates of over 50% […] In rural areas, poverty is estimated to be 27%, and in some parts of the country it reaches 37%. Extreme poverty in rural areas tripled during the 1990's and 45% of the entire Moroccan population is now classified as vulnerable to poverty".

Literacy rates have also been declining, going from a high of 50 percent in 1990 to 41 percent in 1993 (2006: 91). Along with a decline in literacy, the GINI Index for Morocco further increased following the implementation of the AAEU. GDP growth has also been slow and in fact, has decreased drastically from 12.2 percent growth in 1996 to 4.5 percent in

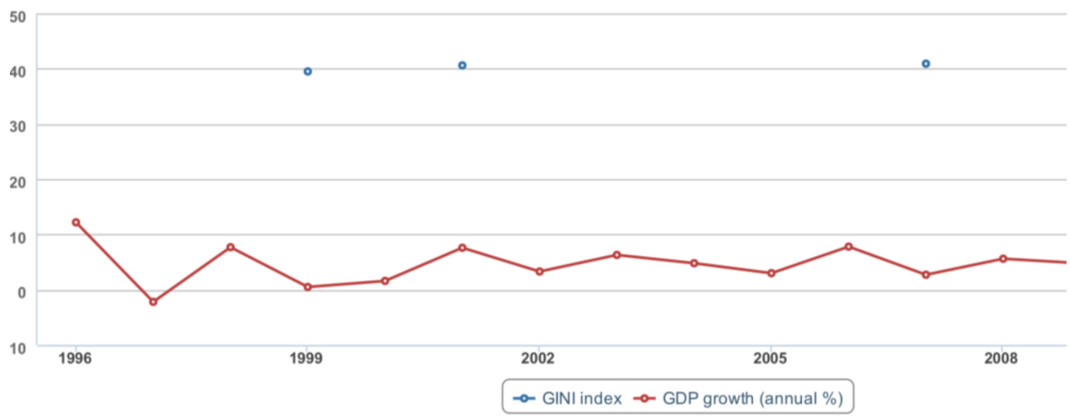
2011 (World Bank, 2013). Figure 2 illustrates the drastic decrease in GDP growth as well as the constant GINI Index for the years 1996-2008.

The GINI Index for Mexico has also not shown much improvement since the implementation of NAFTA. In 1994, the GINI Index for Mexico stood at 51.9; six years later in 2000, it remained the same until drastically decreasing in 2004 to 46.1. However, by the end of 2008, it had once again risen to 48.3 (World Bank, 2013). GDP growth has also been stagnant since 1994. Figure 3 outlines the GDP growth rate and the GINI Index for Mexico for the period between 1994-2006. The lowest growth rates were registered in 2002 at 0.8% and in 2008 at 1.2% (2013).

The GINI Index measures the distribution of wealth in a country. The number 0 represents perfectly equal distribution of income and resources, while perfect inequality is represented as 100. Most countries in Western Europe have relatively low GINI Indexes. For example in the year 2000, Spain had a GINI Index of 34.7, Norway 25.8, Germany 28.3, and Sweden 25. For non-European countries, however, the GINI Indexes are higher denoting higher inequality. For the same year 2000, the GINI Index in Tunisia was at 40.8; for 2002 Brazil recorded a GINI Index of 59.4 and Honduras 58.9 (World Bank, 2013).

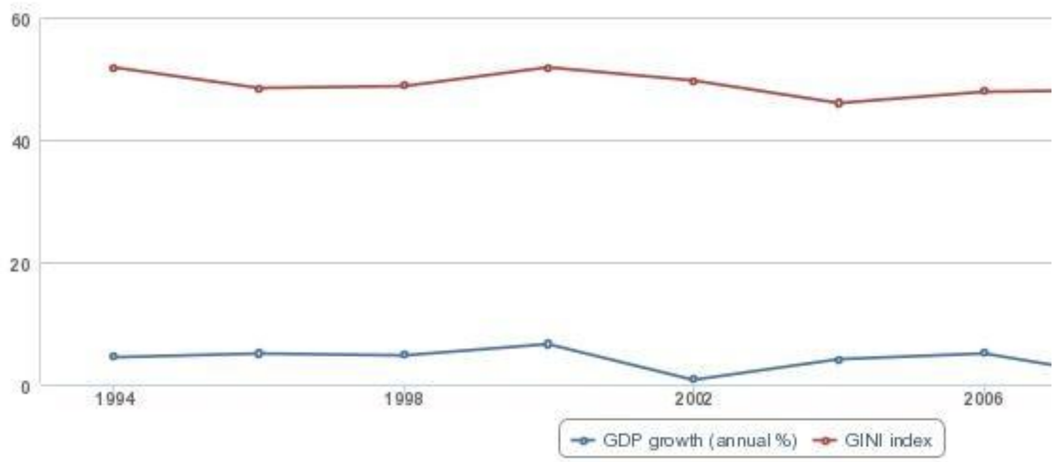
Neither Morocco or Mexico experienced high levels of growth during the years following the implementation of the FTAs and the GINI Indexes of each country also show, little progress in terms of living standards for either nation. Although the GINI Indexes for both Morocco and Mexico show only slight deviations, these changes signal drastic changes in the real situations of each country's populations.

FIGURE 2: GINI Index and GDP Growth in Morocco, 1996-2008



Source: World Development Indicators

Figure 3: GINI Index and GDP Growth in Mexico, 1994-2006



Source: World Development Indicators

Table 4 provides a comparison of development indicators between Morocco, Algeria, and Tunisia for the period following the entry into force of the AAEU. Table 4 includes Human Development Index (HDI) statistics that place Morocco below both Algeria and Tunisia. It also has the lowest literacy and life expectancy rates of the three countries. The lack of real progress compared to its North African neighbors points to the need to reassess the rhetoric of effectiveness of FTAs in developing the socioeconomic realities of populations.

TABLE 4 Development Indicators for the Maghreb, 2003-2004

Country	HDI	Literacy (%)	Life Expectancy	Infant Mortality	GDP/ Capita*
Algeria	0.72	70	71	35/1000	6107
Morocco	0.63	51	70	36/1000	4004
Tunisia	0.75	72	74	19/1000	7161

*GDP/Capita (PPP US$) Source: UNDP (2005) adapted from Davis (2006: 92)

The decline in standard of living affected emigration rates. Garcia (2000: 221) notes that by the year 2000, two million Moroccan nationals (8 percent of the population) were living abroad. While many Moroccans migrated to Belgium, France, and Italy, many more crossed the 8-mile Strait of Gibraltar into Spain.

A survey conducted in 1998 for the Moroccan newspaper *Le Journal*, found that 54 percent of those surveyed would “certainly” emigrate if they could, while 17 percent answered that they would “probably” emigrate (Arango & Martin, 2005: 262). Spanish data for the 2000-2002 period went hand in hand with the survey results. Undocumented immigration into Spain doubled from 1999 to 2000 with seven thousand individuals being caught trying to cross clandestinely into Spain (White, 2001: 28). Authorities in the Canary Islands, an important immigrant crossing point, arrested four thousand individuals trying to reach the Spanish mainland. Two-thirds of those individuals were Moroccan (Arango & Martin, 2005: 266) In 2002 Spain granted legalization to over 460,000 undocumented immigrants, one-fourth of these were Moroccan nationals (2005: 265).

Although the decision to migrate is influenced by complex motivations, economic insecurity plays a decisive role in the final decision. As was presented in the previous sections, the directives of NAFTA and the AAEU served to create a set of migration push factors that led to an increase in South to North migration. By failing to create the expected job growth, the FDIs facilitated by the FTA's directives proved unable to absorb the increasing urban populations. Meanwhile, food poverty and malnutrition became rampant. This dire situation must be factored into the complex motivations surrounding the decision to immigrate.

Did NAFTA and the AAEU create economic refugees?

In order to analyze whether NAFTA and the AAEU served as a engines of forced displacement of Mexicans and Moroccans after their implementation, it is necessary to transpose the effects of the FTA's onto the definitions of economic refugees as presented in this paper.

First, both of the Agreements are general economic measures imposed on populations without discrimination. The implementation of NAFTA affected all Mexican citizens just as the AAEU affected all Moroccans, although, some groups of people were affected more than others in both countries. For example, Mexican farmers were undoubtedly impacted to a greater extent than any other part of the population in Mexico. The displacement of two million people due solely to an economic directive can be viewed as a humanitarian crisis. The internal movement of those two million farmers set-off a chain of events that reverberated throughout Mexican society.

Rural to urban migration created pressure on urban resources. Land disputes erupted throughout Mexican urban areas and shantytowns began cropping up over night. Squatting and land invasions were not uncommon before the implementation of the NAFTA. However, before NAFTA, the Mexican government held ownership of all lands and could grant the legal title of the land to families after they had lived on the plot for a dictated amount of years (Bacon, 2004: 129). This helped those families gain access to water and electricity as well as to become part of the town their plots were adjoined to.

Another group greatly impacted by NAFTA are the indigenous populations of Mexico. On January 1st, 1994 the first day of the implementation of NAFTA an indigenous group from the Mexican state of Chiapas released a communiqué. In their statement, the Ejercito Zapatista de Liberación Nacional (EZLN) announced their armed struggle stating that their fight was for, “work, land, housing, food, health care, education, and independence”, (as cited in Chomsky, 1999: 122). Although the struggle of the Zapatistas began in years previous to NAFTA, their uprising was triggered by the implementation of the Agreement. According to Chomsky (1999: 122), the Zapatistas saw NAFTA as a “death sentence for Indians, a gift to the rich that will deepen the divide between narrowly concentrated wealth and mass misery, and destroy what remains of the indigenous society”.

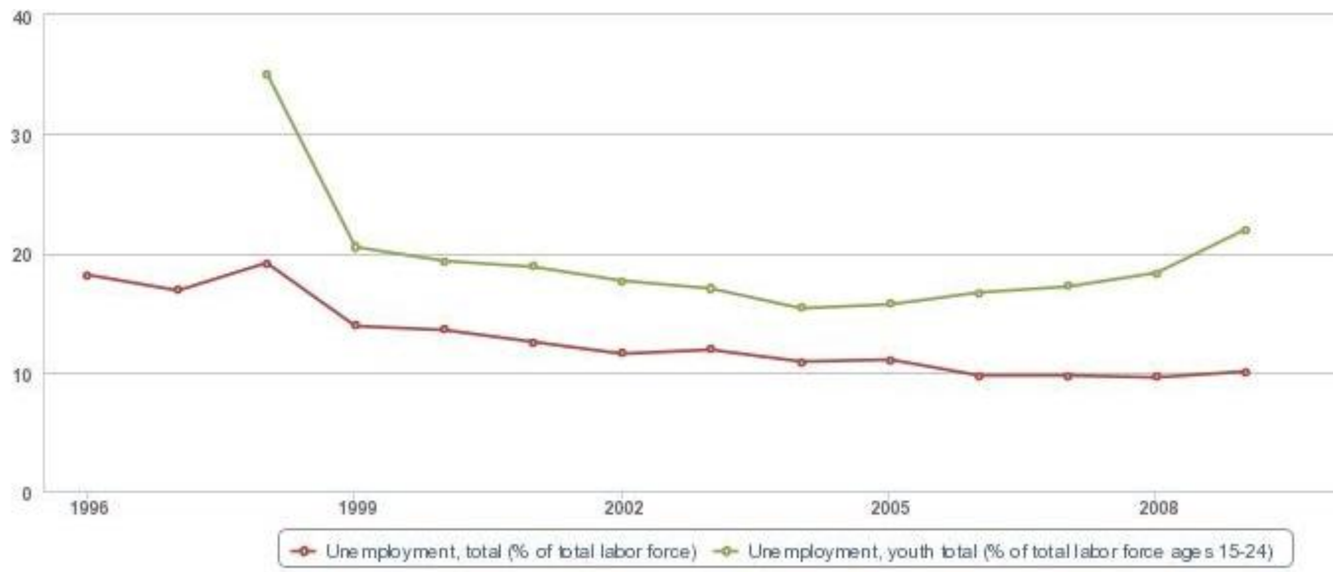
The uprising of the EZLN prompted the rapid militarization and paramilitarization of Chiapas. The flow of weapons and non-local actors helped fuel human rights abuses against the indigenous community (Speed, 2008: 20). According to Speed (2008: 22), by 1998 the Mexican government had stationed 70,000 troops in Chiapas and had funded as many as twenty pro-government paramilitary groups. This led to the displacement of thousands of indigenous peoples, hundreds killed, and hundreds of political prisoners before the end of the decade (2008). Both the Mexican farmers and the Zapatistas saw their basic rights violated.

Both groups were directly affected by the economic measures imposed by Mexican government.

Moroccan farmers suffered from similar conditions as their Mexican counterparts. The unfair competition in agricultural products and the monopolizing of the best lands in the hands of the royal family, led to many farmers abandoning their land for opportunities in the cities. There they encountered the same problems facing those caught in rural to urban migration patterns in Mexico- high unemployment, discrimination, and the tough decision to emigrate.

Figure 4 illustrates the trends in unemployment for the years 1996-2008. Youth unemployment has remained higher than that of the general population. It was especially high during 1998 when total unemployment reached 19.1 percent the youth unemployment rate hit a high of 35 percent. The trend slowly decreased for both the general population and for youth. In 2000, unemployment dropped considerably to 19.3 percent for youth and 13.6 percent in total. That same year, emigration by those with a tertiary education was estimated at 18.6 percent. By 2006, official unemployment stood at 9.7 percent, while youth unemployment had dropped to 16.6 percent (World Bank, 2013). However, as Figure 4 illustrates, youth unemployment has drastically increased since 2005.

Figure 4: Unemployment in Morocco, 1996-2008



Source: World Development Indicators

Secondly, NAFTA directives have helped create a socioeconomic environment that denies basic rights to the Mexican populace. Existential threats to their subsistence capabilities have been produced through implementation of the Agreement. The millions of displaced farmers and agricultural workers that rushed to the urban centers in northern Mexico were used as pools of surplus labor to drive down wages. American corporations developed 'agro-business empires' through out northern Mexico helping supply cheap food products for American consumers (Bacon, 2004: 126). Bacon (2004: 127) writes, "thousands of workers were brought […] from extremely poor indigenous communities in Oaxaca. Wages were kept low in order to make Baja's strawberries and tomatoes cheaper in Los Angeles supermarkets. In 2000, the minimum wage was 37.4 pesos […] while a kilo of meat cost 38 pesos in the local market". Wages have not been able to keep up with the skyrocketing food prices. Mexican rural families relied heavily on their own plots of land for subsistence farming, however, the end of subsidies and the increasing food prices have contributed to a crisis in malnutrition.

The same has occurred in Morocco, where the main exports are now goods assembled from imported products. In 2000, 45 percent of all imported goods were re-exported as finished products (Frances & Corron, 2004: 75). The industries most affected by this practice are the textile and electronic industries, mirroring the *maquiladora* effect seen in Mexico (2004: 62).

Food importation has also signaled the rise of malnutrition in Morocco. Morocco now imports sugar, cereals, meat, and livestock feed (2004: 61). UNICEF (2010) reports that up to 43 percent of Moroccan children under five years of age suffered from malnutrition for the 2006-2010 period. Two percent of these children were severely underweight and twenty three percent suffered from moderate to severe stunting due to malnutrition (2010).

Thirdly, Mexico has been unable to provide a domestic remedy for the threats to the subsistence of its population. As cited above in the case of CPI versus the government of Mexico, the Mexican government took measures to try to protect the sugar cane industry by levying taxes on high fructose corn syrup. The sugar cane industry in Mexico was the source of employment for thousands of agricultural workers and farmers and a major crop for various regions within Mexico. Even though CPI sued Mexico over the taxes levied, the company posted net sales of $3.7 billion in 2008, the year the NAFTA Secretariat ordered Mexico to pay CPI $58.4 million in damages (Carlsen, 2011). According to Carlsen (2011), the fine paid by Mexico was enough to provide a basic food basket to 50,000 Mexican families for a whole year. Fifty thousand poor Mexican families would have been fed for a year apart from being able to sustain the economies and jobs of the sugarcane-producing regions within Mexico; yet, NAFTA directives overruled the well being of tens of thousands of families in favor of corporate profits.

The liberalization of Mexican industries broke the deep connection between the Mexican nation-state and its citizens. Mexican society was structured as a corporatist, paternalistic state with all rights enumerated in the Constitution guaranteed by the government (Speed, 2008: 42). "The Mexican Constitution of 1917 also established social rights based on premises of social justice and human dignity", (2008: 44). However, the nature of neoliberalism requires that states limit their interventions in the economy by reducing social welfare and assistance programs (2008: 27).

The Mexican government was forced to break its corporatist bond to its citizens. This social and institutional restructuring helped lead to the deepening of social unrest and rendered the government incapable of providing a domestic remedy to the unrest and the poverty running rampant through post-NAFTA Mexico. NAFTA eliminated state protections for Mexican citizens, yet it did not provide a social contract of its own (Faux, 2003). NAFTA on its own did not, however, create the poverty levels in Mexico, but it served to compound and accelerate the rates of impoverishment (Bacon, 2004:16). It also helped to deepen and widen the underlying sociopolitical issues bubbling within Mexican society.

The effects of the North American Free Trade Agreement and the Association Agreement have undoubtedly helped to create mass displacement of peoples in Mexico and Morocco. This displacement has led to involuntary survival migration to the United States and to Spain. All participating countries hold equal responsibility in responding to the humanitarian crises that was sparked with the implementation of the NAFTA and AAEU directives.

Mexico, the United States, Morocco, and Spain have all signed onto the United Nations conventions outlining the basic human rights. Mexico signed the ICCPR and the ICESCR on March 23rd, 1981. The United States signed the ICCPR on June 8th, 1992 and the ICESCR on October 5th, 1977 (although the United States Congress never ratified this last Convention). Spain ratified both treaties on April 27th, 1977 followed by Morocco two years later on May 3rd, 1979 (United Nations General Assembly, 1979). Yet, none of the government have taken steps to uphold those treaties.

Instead, they have created and implemented free trade agreements that have resulted in the violation of the socioeconomic and political rights they swore to protect. The violation of these rights outlined by the United Nations and the definitions put forth by the proceeding Conventions helps to classify those Mexican immigrants affected by NAFTA and the Moroccan immigrants affected by the AAEU as economic refugees. Not only are these immigrants escaping the violation of their basic human rights, they are also in many cases escaping persecution due to their activities defending these rights. Teachers, students, miners, farmers, and other sectors have led movements against NAFTA and AAEU measures.

The solution to survival migration is to repeal the free trade directives that have caused the push factors of migration. Given the deep-rooted nature and influence of neoliberal thinking in agenda-setting actors in the international arena, this solution is politically unviable. Yet, despite the unwavering ideological allegiance of government officials and economists, the statistics and real conditions in Mexico and Morocco prove the devastating effects of free trade.

CONCLUSION

The current school of thought governing our economic system proposes free trade as a means of development. However, as the case studies have shown, free trade can lead to unintended disruption of internal economies to the detriment of the native populations. Both cases studies demonstrate patterns of poverty and unemployment in the less developed trading partners i.e. Mexico and Morocco. Free trade agreements in both cases have compounded socioeconomic factors that play critical roles in creating survival migration.

The case studies presented would have benefited from more detailed information regarding the situation in Morocco. However, information on the socioeconomic conditions in Morocco is difficult to research given the political situation of the country (a monarchy that allows little freedom of expression) and the language barrier (most information is in Arabic or French). Comparing only two case studies for this analysis also limits the scope of the study.

The United States does not only have a free trade agreement with Mexico and Canada, but with eighteen other countries across the world, including: Singapore, Bahrain, Oman, to name a few. The same can be said for European Union, which has association agreements with many North African and Latin American countries. More case studies including these countries would highly benefit this study. It would also be useful to further explore the roles of the General Agreement on Tariffs and Trade (GATT) and World Trade Organization and how these work alongside free trade agreements to impulse survival migration. Finally, a more structured approached to the study of survival migration and economic refugees is needed.

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