

CUT CARD

We negate, resolved: the benefits of NAFTA outweigh the consequences.

Framework

When NAFTA was signed by the United States, Mexico, and Canada in 1993, it promised to have ground shaking effects for all three economies. However, many of those claims fell flat.

For the US, Kevin Drum writes in a 2017 Mother Jones article: US GDP is \$19 trillion. US trade with Canada and Mexico is about \$1 trillion, and only about 20% of the increase in this trade is due to NAFTA, making NAFTA's gross trade effects, at most, are about 1% of US GDP.

Drum 17 Kevin Drum, 1-28-2017, "NAFTA is really not a big deal," Mother Jones, <https://www.motherjones.com/kevin-drum/2017/01/nafta-really-not-big-deal/> //DF

Brad DeLong pushes back against this here, but I want to show you something which should convince you that NAFTA's impact on the US—whether good or bad—is inevitably tiny. The chart on the right shows total US GDP: about \$19 trillion. The next bar shows total US trade—both imports and exports—with Canada and Mexico. It's about \$1 trillion. Finally, the third bar shows how much of the increase in this trade since 1993 is due to NAFTA. Most estimates put it at 20 percent or less of the total. In other words, NAFTA's gross trade effects, at most, are about 1 percent of GDP. And since many of the positive and negative follow-on effects of that trade cancel out, the net effect on the American economy has to be a fraction of a percent. It's just not a huge deal. It hasn't accounted for very many jobs lost or gained. It hasn't accounted for a big change in GDP. It hasn't accounted for a significant change in price levels. Making it the centerpiece of any kind of trade story is just absurd. It's a good hobbyhorse for populist demagoguery of trade deals, and it's a good hobbyhorse for populist demagoguery of Mexico. But that's about it.

For Canada, Jose Gonzalez at the Council on Foreign Relations explains in 2017 that Canada already had opened its economy to the US market in 1989 with the Canada-US free trade agreement, making the impacts of NAFTA largely insignificant

Gonzalez 17 Josue Gonzalez, 10-4-2017, "NAFTA's Economic Impact," Council on Foreign Relations, <https://www.cfr.org/background/naftas-economic-impact> //DF

Canada has seen strong gains in cross-border investment in the NAFTA era: Since 1993, U.S. and Mexican investments in Canada have tripled. U.S. investment, which accounts for more than half of Canada's FDI stock, grew from [PDF] \$70 billion in 1993 to over \$368 billion in 2013. However, the most consequential aspect for Canada—opening its economy to the U.S. market, by far Canada's largest trading partner—predated NAFTA, with the 1989 entry into force of the Canada-U.S. Free Trade Agreement (CUSFTA). Overall Canada-U.S. trade increased rapidly in the wake of Canada's trade liberalization. Post-NAFTA, Canadian exports to the United States grew [PDF] from \$110 billion to \$346 billion, while imports from the United States grew by

almost the same amount. Agriculture, in particular, saw a boost. Canada is the leading importer of U.S. agricultural products, and one of NAFTA's biggest economic effects for Canada has been to increase bilateral U.S.-Canada agricultural flows. Canadian agricultural trade with the United States more than tripled since 1994, as did Canada's total agriculture exports to NAFTA partners. Neither the worst fears of Canada's trade opponents—that opening to trade would gut the country's manufacturing sector—nor its highest hopes—that it would spark a rapid increase in productivity—came to pass. Canadian manufacturing employment held steady, but the “productivity gap” between the Canadian and U.S. economies wasn't closed: Canada's labor productivity remains at 72 percent [PDF] of U.S. levels.

Rather, the greatest consequences of NAFTA have been concentrated in Mexico. David Olive writes in the Star Business Journal in 2017: Mexico has been the greatest affected by NAFTA. This is true both in amount of trade – Mexico only accounts for 12% of US trade, but the US accounts for 80% of Mexican trade – and in the amount of poverty – half of all Mexicans live in poverty, versus 16% in America. Thus, this debate should focus on NAFTA's effects on Mexico.

A Tale of Two Mexicos

Increasing Inequality

NAFTA's effects have been highly unequal. Jose Gonzalez at the Council on Foreign Relations writes in 2017: NAFTA drove the growth of foreign investment, high-tech manufacturing, and rising wages in Mexico's industrial north. However, the largely agrarian south remains detached from this economy, and inequality is rapidly rising because of this regional disconnect.

Gonzalez 17 Josue Gonzalez, 10-4-2017, "NAFTA's Economic Impact," Council on Foreign Relations, <https://www.cfr.org/background/naftas-economic-impact> //DF

But Mexico's NAFTA experience has suffered from a disconnect between the promises of some of its supporters—that the pact would deliver rapid growth, raise wages, and reduce emigration—and the deal's more mixed outcomes. **Between 1993 and 2013, Mexico's economy grew at an average rate of just 1.3 percent a year during a period when Latin America was undergoing a major expansion. Poverty remains at the same levels as in 1994. And the expected “wage convergence” between U.S. and Mexican wages didn't happen**, with Mexico's per capita income rising at an annual average of just 1.2 percent in that period—far slower than Latin American countries such as Brazil, Chile, and Peru. Mexican unemployment also rose, which some economists have blamed on NAFTA for exposing Mexican farmers, especially corn producers, to competition from heavily subsidized U.S. agriculture. A study led by CEPR economist Mark Weisbrodt estimates that NAFTA put almost two million small-scale Mexican farmers [PDF] out of work, in turn driving illegal migration to the United States. (Migration to the United States, both legal and illegal, more than doubled after 1994, peaking in 2007. However, the flow reversed after 2008 as more Mexican-born immigrants began leaving the country than arriving. Experts attribute this to stricter border enforcement, changing demographics in Mexico, and the combination of fewer available jobs in the United States along with more in Mexico.) Many analysts explain these divergent outcomes by pointing to the “two-speed” nature of Mexico's economy, in which **NAFTA drove the growth of foreign investment, high-tech manufacturing, and rising wages in the industrial north, while the largely**

agrarian south remains detached from this new economy. As University of Pennsylvania economist Mauro Guillen argues, **Mexico's rising inequality stems from NAFTA-oriented workers in the north gaining much higher wages from trade-related activity.** Ultimately, many experts caution, Mexico's recent economic performance has been affected by many non-NAFTA factors. The 1994 devaluation of the peso drove Mexican exports, while competition with China's low-cost manufacturing sector [PDF] likely depressed growth. Unrelated public policies, such as land reform, made it easier for farmers to sell their land and emigrate. As UCSD's Hanson has argued [PDF], Mexico's struggles have largely domestic causes: poorly developed credit markets, a large and low-productivity informal sector, and dysfunctional regulation.

NAFTA has decimated the south's agrarian economy. Tim Wise at Tufts University explains in 2011: NAFTA ended Mexico's use of tariffs, which the country had relied on to protect its farmers, but it did nothing about US agriculture subsidies, which kept US goods cheap. Thus, NAFTA opened the floodgates to virtually unrestricted dumping of cheap US food in Mexico, where exports corn, pork, and soybeans increased by 400%.

Wise 11 Timothy A. Wise [directs the Research and Policy Program at Tufts University's Global Development and Environment Institute], 2-2011, "Mexico: The Cost of U.S. Dumping," NACLA REPORT ON THE AMERICAS, <http://www.ase.tufts.edu/gdae/Pubs/rp/WiseNACLADumpingFeb2011.pdf> //DF

On the one hand, NAFTA disciplined Mexico's use of tariffs, which the country had relied on heavily to protect its farmers from cheaper U.S. exports. But on the other hand, the agreement did nothing to mandate reductions in the use of subsidies, which have been the U.S. government's preferred means of supporting agriculture since supplymanagement policies ended with the 1996 Farm Bill. That deregulation of U.S. agriculture resulted in larger surpluses of corn and other supported commodities; prices fell soon enough, and NAFTA opened the floodgates to virtually unrestricted dumping into Mexico. And did NAFTA ever open those floodgates! As the table on the next page shows (first column from the left), U.S. exports to Mexico of eight key agricultural commodities— corn, soybeans, wheat, cotton, rice, beef, pork, and poultry—increased dramatically in the period studied: from a "low" increase of 159% for soybeans to an astonishing 707% for pork. Corn, the most sensitive product given that 3 million Mexican farm families grow it, saw increases of 413% in U.S. exports since the early 1990s. Without exception, the United States exported these products at prices below what it cost to produce them, one of the definitions of dumping under World Trade Organization rules.² This is dramatically illustrated if we look at the "dumping margin," or the percentage by which export prices were below U.S. costs of production. For the nine-year period—which encompasses the years both after NAFTA and the 1996 Farm Bill were implemented, and before the speculative commodity price spikes that began in 2006—dumping margins ranged from 12% to 38% for the five crops, and between 5% and 10% for the meats, calculated on the basis of their access to below cost feed grains (second column). U.S. corn was on average dumped at 19% below production costs. This helped push down producer prices in Mexico. For the eight products, real producer prices fell from 44% to 67% from their pre-NAFTA levels (third column). Corn prices plummeted 66%. How did this affect Mexican production? It fell for all the crops except corn (fourth column), which saw a surprising 50% increase in production, attributed in part to small farmers' "retreat to subsistence" under the economic pressures from NAFTA (if you can't make money selling it, you'll at least have something to eat) and in part to the Mexican government's own subsidies. Production also rose significantly for meats, reflecting the rising demand for meat-based protein in the Mexican diet.

This dumping priced out Mexican farmers. John B. Judis writes in a 2008 New Republic exposé: dumping drove a combined 2.5 million Mexicans in the farm sector out of work. Even among farmers who kept their jobs, the income of a farm laborer is now one-third that of what it was before NAFTA.

Judis 08 John B. Judis, 4-9-2008, "Trade Secrets," New Republic,
<https://newrepublic.com/article/63888/trade-secrets>

There were a number of reasons why. The peso crisis widened the gap between what Mexicans could make at home and what they could make in the United States. And, after 2001, competition from China stymied the growth of Mexican manufacturing and suppressed wages. Employment in the maquiladoras--the border factories that import materials from the United States for assembly and then send them back--has actually declined since 2000. But, just as important, **by phasing out government protections for the country's 3.2 million small farmers, NAFTA drove many of them northward.** According to Laura Carlsen of the Center for International Policy, **as cheap American foodstuffs flooded Mexico's markets and as U.S. agribusiness moved in, 1.1 million small farmers--and 1.4 million other Mexicans dependent upon the farm sector--were driven out of work between 1993 and 2005. Wages dropped so precipitously that today the income of a farm laborer is one-third that of what it was before NAFTA.** As jobs disappeared and wages sank, many of these rural Mexicans emigrated, swelling the ranks of the 12 million illegal immigrants living incognito and competing for low-wage jobs in the United States.

This is contextualized by Alexandra Spielloch of the Institute for Agriculture and trade policy in 2010 who explains: NAFTA's focus on a one-size-fits-all market has had only one effect on family-based agriculture: The big corporations are allowed to get bigger and gain more control and the independent producers are at the mercy of only a handful of buyers who hold all the power over markets.

Alexandra Spielloch, INSTITUTE FOR AGRICULTURE AND TRADE POLICY, "NAFTA: Fueling Market Concentration in Agriculture", March 2010, https://www.iatp.org/files/451_2_107275.pdf (NK)

One of the most disastrous results of NAFTA has been the consolidation of livestock markets in our three countries and around the world. With only a few multinational corporations controlling the feeding and slaughter of cattle in our region of the world, family-based livestock producers have gotten the short shrift in this trade agreement. **NAFTA's focus on a one-size-fits-all market has had only one effect on family-based agriculture: The big corporations are allowed to get bigger and gain more control and the independent producers are at the mercy of only a handful of buyers who hold all the power over markets**—all the way from the cow-calf producer to the retail grocers. Fair trade only works when it adheres to transparent, competitive market principles, and in the case of NAFTA, the U.S. has fallen far short of enforcing the anti-trust laws designed to prevent price manipulation and anti-competitive practices in agricultural markets. Adequate enforcement of laws already on the books would remedy this market collusion, predatory practices and declining market competition that has resulted in this faulty trade model.

So as corporations and multinationals have received the investment, the rest of Mexico has languished. A 2014 report by McKinsey Global Institute found that the two Mexicos are pulling in opposite directions. The productivity of small establishments actually declined from 28% in 1999 to 8% in 2009.

McKinsey 14 3-2014, "A tale of two Mexicos: Growth and prosperity in a two-speed economy," The McKinsey Global Institute, https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Americas/A%20tale%20of%20two%20Mexicos/MGI_Mexico_Executive_summary_March_2014.ashx //DF

What makes this dichotomy important now is that **the two Mexicos are pulling in opposite directions**. As the modern economy celebrates the NAFTA anniversary and triumphs such as the opening of yet another world-class auto plant, the traditional sector is moving backward. **The productivity of small establishments** (with ten or fewer employees) **declined from 28 percent of the level of large companies** (those with more than 500 employees) **in 1999 to 8 percent in 2009**. Yet these traditional unproductive firms are creating jobs at a faster rate than modern firms—the opposite of what typically happens as economies develop. **The declining performance of the traditional sector and its rising share of employment explain why three decades of reforms have failed to raise Mexico's overall GDP growth**. Measures to privatize industries, embrace free trade, and welcome foreign investment have helped create a highly productive and globally competitive modern Mexico where multinationals such as FEMSA, Grupo Alfa, Grupo Bimbo, Grupo Lala, Mabe, Wal-mex, and many others have flourished.¹ Today they have access to global capital and employ the latest technology. They have become leaders in some of the most competitive markets in the world. But **reforms have barely touched the other Mexico, where traditional enterprises operate in the same old ways, informality is rising, and productivity is plunging**. The question overhanging Mexico today is whether the current reform agenda of the Enrique Peña Nieto administration can drive economic growth across both modern and traditional Mexico. For Mexico to get closer to the pre-1980 growth rates that can raise per capita income, grow the middle class, and bring more people out of poverty, the nation must reverse the stagnation of the traditional segment and narrow the gap between the two Mexicos. Policies and practices that discourage traditional businesses from formalizing so that they can qualify for financing and invest in growth need to be rethought. More companies and

workers need to move into the modern economy, creating a vibrant and globally competitive small and medium-sized enterprise (SME) sector. To reach Mexico's ambitious growth goals, the modern segment also needs to continue to improve productivity, expand, and create jobs. Policy makers should address remaining barriers to growth for all companies, including inadequate education and infrastructure, limited access to capital, and high energy costs.

NAFTA increased inequality

Thornton 14 Christy Thornton, Adam Goodman, 7-15-2014, "How the Mexican Drug Trade Thrives on Free Trade," Nation, <https://www.thenation.com/article/how-mexican-drug-trade-thrives-free-trade/> //DF

At the same time, sectors that were privatized during structural adjustment but protected from competition under NAFTA—telephone, television and transportation among them—are now monopolized by some of Mexico's richest men. Mexico's new billionaires include the owners of the two largest television networks; the distributors of Coca-Cola; and Carlos Slim, who controls more than three-quarters of all telephone service. (Recent reforms may begin to break up these monopolies, but many believe they will actually benefit Televisa, the media giant with close ties to the ruling party, the Institutional Revolutionary Party, known as the PRI). The top 10 percent in Mexico now control more than 40 percent of its national wealth. The policies of the last twenty years may have made a small group of Mexicans part of the global ultra-rich elite, but they left the vast majority and the country as a whole no better, and in some cases much worse, than before.

Damage to these areas has actually pushed up national poverty. According to Mexican national statistics aggregated by the Center for Economic and Policy Research: there were 20.5 million more Mexicans living below the poverty line as of 2014 than in 1994, when NAFTA was signed.

Weisbrot 17 Mark Weisbrot [Co-Director at the Center for Economic and Policy Research], 3-2017, "Did NAFTA Help Mexico?: An Update After 23 Years," Center for Economic and Policy Research, <http://cepr.net/images/stories/reports/nafta-mexico-update-2017-03.pdf?v=2> //DF

As would be expected during such a period of very little economic growth, the poverty rate was not reduced in Mexico; in fact it increased. Figure 4 shows Mexico's national poverty rate.⁷ **In 2014, it was 55.1 percent, compared to the 52.4 percent rate in 1994. As a result, there were about 20.5 million more Mexicans living below the poverty line as of 2014 than in 1994.** Measures of more extreme poverty — “unable to afford health care, education and food,” and “unable to afford food” (as categorized by Mexico's Consejo Nacional de Evaluación de la Política de Desarrollo Social) improved very little since 1994, falling by just 0.6 and 0.9 percentage points, respectively. Figure 7 shows the path of real (inflation-adjusted) wages in Mexico from 1994 to 2014.⁹ There is a fall in real wages of 21.2 percent from 1994–96, associated with the peso crisis and recession. Wages did not recover to their precrisis (1994) level until 2006, 11 years later. By 2014, they were only 4.1 percent above the 1994 level, and barely above their level of 1980. The minimum wage, adjusted for inflation, fared even worse. From 1994 to 2015, it fell by 19.3 percent.¹⁰

Entrenching Inequality

Weisbrot writes: The idea was that the continuation and expansion of these policies would allow Mexico to achieve efficiencies and economic progress that was not possible under the protectionist economic model that had prevailed in the decades before. Despite such goals the end result has been decades of economic failure by almost any economic or social indicator.

Weisbrot 17 Mark Weisbrot [Co-Director at the Center for Economic and Policy Research], 3-2017, "Did NAFTA Help Mexico?: An Update After 23 Years," Center for Economic and Policy Research, <http://cepr.net/images/stories/reports/nafta-mexico-update-2017-03.pdf?v=2> //DF

The vulnerability to developments in US financial markets continues. In May of 2013, after the US Federal Reserve announced a future "tapering" of its quantitative easing program (QE3), there were fears of a repeat of the 1994 peso crisis, and gross foreign portfolio inflows came to a sudden stop. The Mexican economy took a hit, with growth of 1.4 percent for the year. This was mostly because, as the IMF noted, "Mexico's deep and liquid foreign exchange and domestic equity and sovereign bond markets can serve as an early port of call for global investors in episodes of financial turbulence and hence are susceptible to risks of contagion." This vulnerability is also a result of the policies that NAFTA was designed to facilitate. Moreover, the Mexican economy likely faces more risks as the Fed continues to raise US interest rates.

As was well known at the time of NAFTA's passage, **the main purpose of NAFTA was to lock in a set of economic policies [in Mexico]**, some of which were already well under way in the decade prior. These included the **liberalization of manufacturing, of foreign investment, and of ownership**, and other changes.¹ **The idea was that the continuation and expansion of these policies would allow Mexico to achieve efficiencies and economic progress that was not possible under the** developmentalist, **protectionist economic model that had prevailed in the decades before** 1980. While some of the policy changes were undoubtedly necessary and/or positive, **the end result has been decades of economic failure by almost any economic or social indicator**. This is true whether we compare Mexico to its developmentalist past, or even if the comparison is to the rest of Latin America since NAFTA. After 23 years, these results should provoke more public discussion as to what went wrong.

NAFTA, by keeping Mexico on a bad course, has stunted their economic growth.

Vincent Pham at the University of Washington writes in 2013: In the aftermath of NAFTA's establishment, many U.S corporations seeking laxer standards and cheaper labor pushed into Mexico and began their operations there without the same sense of accountability, turning the border into a low wage haven. Neoliberalism pressures the poorest people in a society to find solutions to their lack of health care, education, and social security all by themselves in the name of reducing government's role.

Pham 09, Vincent Q Pham [Senior, University of Washington Honors Program]. 2013 Injecting Racist Hysteria: How Media Coverage of the 2009 H1N1 (Swine Flu) Virus Raises Questions about Border Security, NAFTA, and Mexican Representation in U.S Culture. <http://scalar.usc.edu/works/injecting-racist-hysteria-how-media-coverage-of-the-2009-h1n1-swine-flu-virus-raises-questions-about-border-security-nafta-and-mexican-representation-in-us-culture-/index> //ja

Neoliberalism is a set of policies that focus on privatization, **deregulation**, and the advancement of the so-called "free market" over the public sector. **This** emphasis on free trade **is the core principle of NAFTA**. However, **because of the ideology of** free trade and **deregulation**, **"The border is a low wage haven, a magnet for transnational corporations looking for a cheap, non-union workforce;** it is also a magnet for people throughout Mexico who can no

longer survive on the land or in their former jobs. It's a sprawling polluters' paradise, where toxic muck flows through neighborhoods and into streams and rivers" (7) **In the aftermath of NAFTA's** establishment, many **U.S corporations seeking laxer standards and cheaper labor pushed into Mexico and began their operations there without the same sense of accountability.** This situation becomes especially problematic given the values of neoliberalism. As Bigelow argues, "A key aspect of this [neoliberalism] is eliminating the concept of the "the public good" and replacing it with "individual responsibility" (20) **Neoliberalism pressures the poorest people in a society to find solutions to their lack of health care, education, and social security all by themselves in the name of reducing government's role-** then, if they fail, labeling them "lazy" in a racialized manner, an image that media are complicit in portraying about the poor.

Nearing the end of the 20th century in Mexico, the political participation between the rich and the poor were similar, if not the poor were more likely to protest or contact government officials before the transition to democracy. Yet **after 1997,** the upper class engaged in double the participation compared to the lower class. This outcome is possible due to the fact that **politics in Mexico tend to exclude the poor.** According to Holzner on page 95 and 96, there are three mechanisms that attribute to the exclusion and political participation of the poor. The first is that **the government began implementing free market reforms that redistributed resources away from the lower class and towards the elites, which severely impacted the poor due to the level of poverty and the lack of resources.** The second is that **these reforms weakened the mobilization of the lower class by dividing organizations, thus damaging their political participation because they rely heavily on organizational power.** Lastly, **the poor have become strongly discouraged from participating in the political process because of the disincentives brought about by the switch from heavy state intervention to the free market model, that set predetermined spending levels on basic needs, including health care and education.**

Holzner 07 Claudio A. Holzner, 9-2007, "The Poverty of Democracy: Neoliberal Reforms and Political Participation of the Poor in Mexico," Latin American Politics and Society, <https://www.jstor.org/stable/pdf/4490524.pdf?refreqid=excelsior%3A34182ba7886ff2d988799131dca9b8b9//DF>

Third, and perhaps most significant, the switch from a development strategy characterized by heavy state intervention in the economy to a free market model brought about important change and activities of the state. These changes, which centralized policymaking decisions in a few ministries in Mexico City; institutionalized the use of **predetermined formulas to determine spending levels for education, health care, and poverty alleviation programs;** and **reduced the size and scope of state activities, have created powerful disincentives that discourage the poor from participating in the formal political process.** To the poor, the state's emphasis on privatization, free trade and foreign investment, and poverty reduction through economic growth rather than through redistributive policies **sends signals that elites do not have their best interests in mind.** Mexico's poor feel this growing distance between them and the state very intensely. More directly, given the centralization of policymaking and the retreat of the state from many activities important to the poor, these reforms have removed many of the incentives the poor had to target the state through political activity. Decentralization policies, which have accompanied neoliberal reforms in Mexico and other Latin American countries, have helped bridge this gap and may stimulate political participation at the local level. However, decentralization reforms have not empowered local governments in relation to the federal level (Díaz-Cayeros 2004; Rodríguez 1997), and citizens are quickly learning that political action targeted at local levels is often futile.

A2: reforms will reduce poverty

Holzner 07 Claudio A. Holzner, 9-2007, "The Poverty of Democracy: Neoliberal Reforms and Political Participation of the Poor in Mexico," Latin American Politics and Society,

[//DF">https://www.jstor.org/stable/pdf/4490524.pdf?refreqid=excelsior%3A34182ba7886ff2d988799131dca9b8b9">//DF](https://www.jstor.org/stable/pdf/4490524.pdf?refreqid=excelsior%3A34182ba7886ff2d988799131dca9b8b9)

Though free market reforms have made many of the specific material needs of the urban and rural poor more pressing, these same reforms have also weakened the capacity of Mexico's poor to do anything politically to improve their situation. Consider petitioning and political contacting. Petitioning party and government officials for assistance has been one of the most common and meaningful forms of participation for Mexico's poor. Though it is a strategy that reflects the clientelist relationship between political leaders and the poor and, as such, tends to reinforce power asymmetries, the poor still view it as necessary to secure their share of government patronage (Holzner 2004). Contacting government officials is a costly strategy, however, requiring a significant investment of time, money, and lost wages. Declining incomes mean that the opportunity cost of political participation is higher now than during the prereform era, discouraging the poor from attempting political

Holzner 07 Claudio A. Holzner, 9-2007, "The Poverty of Democracy: Neoliberal Reforms and Political Participation of the Poor in Mexico," *Latin American Politics and Society*,

[//DF">https://www.jstor.org/stable/pdf/4490524.pdf?refreqid=excelsior%3A34182ba7886ff2d988799131dca9b8b9">//DF](https://www.jstor.org/stable/pdf/4490524.pdf?refreqid=excelsior%3A34182ba7886ff2d988799131dca9b8b9)

An explanation for these patterns can be found in changes in the relationship between the state and the poor. Political participation in Mexico, especially the political activity of popular groups, has always been heavily influenced by the actions of the state and by the groups' relationship to political parties and corporatist organizations (Cornelius 1974; Eckstein 1977). From this perspective, though it is true that income matters for political activity, its increased importance now suggests that institutional reforms have created obstacles and disincentives to participation that affect the poor more adversely, confirming Kurtz's claim that stable democratic politics in Mexico is increasingly premised on the political exclusion of the poor (Kurtz 2004). Though it is true that the urban and rural poor feel less engaged and efficacious and are more cynical and skeptical of party and government officials—which would help explain why their political activity lags behind that of other groups—these political attitudes are not "natural" attributes of the poor; nor are they part of an intractable political culture (Almond and Verba 1963). Instead, these attitudes are best seen as evidence of citizens' direct learned experiences with the state and other political institutions. As Rosenstone and Hansen observe, "People participate in politics not so much because of who they are but because of the political choices and incentives they are offered" (1993, 5). To the extent that individual-level variables matter for political participation, therefore, they tell us more about the political system than about its citizen

Holzner 07 Claudio A. Holzner, 9-2007, "The Poverty of Democracy: Neoliberal Reforms and Political Participation of the Poor in Mexico," *Latin American Politics and Society*,

[//DF">https://www.jstor.org/stable/pdf/4490524.pdf?refreqid=excelsior%3A34182ba7886ff2d988799131dca9b8b9">//DF](https://www.jstor.org/stable/pdf/4490524.pdf?refreqid=excelsior%3A34182ba7886ff2d988799131dca9b8b9)

The answers that emerge are not encouraging. After an initial surge in political activity and growing feelings of political engagement by the poor during the 1990s, voter turnout, petitioning activity, and feelings of political interest and efficacy have declined overall since 1997. The decline has been especially steep for the poor. This is quite unexpected, given that this was the period in which democratic gains were greatest, at least in terms of the competitiveness of local and national elections and the ability of opposition parties to win electoral contests. Though some of this increased cynicism and apathy by the poor may be due to the left's inability to compete credibly in many local and national elections, it is unlikely that democratic reforms can account for all these negative trends, which should, in principle, encourage greater engagement and participation. Instead, the interviews for this study point to a growing feeling of distance between poor citizens and the state, along with increasing pessimism about their capacity to influence the decisions of government officials and policymakers. The argument of this essay is that democratic openings notwithstanding, the changing structure and actions of the Mexican state during the past decade, many of which stem from the deepening of a free

market model of development, are creating obstacles and disincentives for political mobilization that affect the poor more severely than other groups. As a result, the poor are less and less able to afford the increasing costs of political action, are increasingly pessimistic about their ability to influence the decisions and actions of their government, and more and more often are choosing political strategies that do not enhance their political voice. The net effect of institutional reforms, therefore, has been to stifle poor people's political activity, especially in comparison with more affluent groups

Fueling the Drug War

Border Militarization

The US has militarized the border in response to NAFTA-driven migration

Thornton 14 Christy Thornton, Adam Goodman, 7-15-2014, "How the Mexican Drug Trade Thrives on Free Trade," Nation, <https://www.thenation.com/article/how-mexican-drug-trade-thrives-free-trade/>
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And while the exports of goods from Mexico did increase, as Salinas had promised, NAFTA didn't stem the flow of people across the border. Instead, the flow of undocumented workers across the border increased: according to a Pew Research report, the number of Mexicans that immigrated to the United States rose from 430,000 in 1994 to 770,000 in 2000, before tailing off because of increased border enforcement measures and the recent economic recession. (One additional result of NAFTA is an increased exposure of the Mexican economy to downturns in its northern neighbor.) This spike in migration resulted in the growth of the Mexican population in the United States from 4.5 million in 1990 to just under 12 million today. Of course, while NAFTA forced people to migrate, concurrent policies of border militarization made that migration increasingly difficult and dangerous. Instead of integrating the North American labor market or adjusting the number of work visas to match demand, the United States militarized its border with Mexico to previously unimaginable levels. Since 1994 the number of Border Patrol officers has increased from just over 4,200 to more than 21,000; the number of hours agents spent patrolling the border has gone from 3 million to more than 20 million; and the Border Patrol's annual budget has increased from \$400 million to more than \$3.4 billion.

Border militarization strengthens cartels

Thornton 14 Christy Thornton, Adam Goodman, 7-15-2014, "How the Mexican Drug Trade Thrives on Free Trade," Nation, <https://www.thenation.com/article/how-mexican-drug-trade-thrives-free-trade/>
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This violence only increased after Fox's successor, PAN's Felipe Calderón, declared war on the cartels shortly after taking office in 2006. The massive militarization campaign begun by Calderón has now taken some 100,000 lives. In each year of his presidency, more people were forcibly disappeared than during the entire duration of Pinochet's infamous military dictatorship in Chile. Washington supported this militarization with a massive influx of military aid and assistance under the 2008 Mérida initiative, which supplied \$1.4 billion over three years. In fact, US policy—specifically the militarization of the border since NAFTA—has strengthened cartels' power and enabled them to diversify their operations. In addition to profiting off of the drug trade, cartels have branched out into the business of kidnapping, human trafficking and extortion. Rather than stopping migration, the militarization of the border has made migrating more costly and dangerous than ever. An outdated migration policy that allots an equal number of visas to each country—be it Mexico or Andorra—only exacerbates the problem. Today, migrants have little choice but to pay cartel-controlled coyotes thousands of dollars to guide them across rugged terrain in desolate areas. In fiscal year 2012, officials recovered the remains of 477 migrants—a 27 percent increase from the previous year and the second-highest total ever.

Opportunity

First, by exploiting inequalities. Cameron McKibben at the Council on Hemispheric Affairs writes in 2018: inequality has contributed to the success of drug trafficking organizations. Without opportunity to participate in the formal economy and earn a satisfactory income, NAFTA has created a network of disenfranchised individuals for the DTOs willing to pursue profit in the illicit economy.

McKibben 18 Cameron McKibben [COHA Research Associate], 6-17-2018, "NAFTA and Drug Trafficking: Perpetuating Violence and the Illicit Supply Chain," Council on Hemispheric Affairs,

<http://www.coha.org/nafta-and-drug-trafficking-perpetuating-violence-and-the-illicit-supply-chain/> //DF

One of the most notable components of NAFTA targeted the communal land sharing system, ejido, established under Article 27 of the 1917 Mexican Constitution. During the NAFTA negotiations in 1991 under President Carlos Salinas de Gortari, the Constitutional right to ejidos was eliminated. Despite ejidos continuing to be recognized, the state removed subsidies to farmers, and eliminated government price regulation for the poor. Consequently, prices of basic foodstuffs increased dramatically. Mexico, previously self-sufficient in food security, must now import cheap foreign products, primarily from the United States, where farmers benefit from state subsidies. The upper class in Mexico has benefitted from the country's efforts to attract foreign investors by privatizing the economy under the neoliberal program. By excluding Mexico's south from these benefits, the ensuing inequality has contributed to the success of the DTOs, particularly in the states of Guerrero and Michoacán. Without opportunity to participate in the formal economy and earn a satisfactory income, NAFTA has created a network of disenfranchised individuals for the DTOs willing to pursue profit in the illicit economy, rather than the formal economy. Whereas Mexico supplies the U.S. drug demand, the United States, with its comparatively lax gun laws, participates in the "smuggler relationship," providing the Mexican DTOs with the weapons used in plomo. DTO agents frequently travel across the U.S.-Mexican border on drug runs to satisfy the U.S. drug demand. The income generated from successful drug deliveries is often used to purchase weapons in southern U.S. border counties, but also Central America, which are then smuggled back into Mexico.

Cartel's control over disenfranchised areas has become quite substantial. Christy Thornton of the Nation reports that in 2008, the drug trade was Mexico's fifth-largest employer

Thornton 14 Christy Thornton, Adam Goodman, 7-15-2014, "How the Mexican Drug Trade Thrives on Free Trade," Nation, <https://www.thenation.com/article/how-mexican-drug-trade-thrives-free-trade/> //DF

In some places where the state has been eviscerated, the cartels have emerged as a kind of parastate, delivering much-needed services and the promise of economic opportunity. Some expressed shock and disbelief when hundreds of people took to the streets in Sinaloa after the arrest of Chapo Guzmán in February. But it makes sense: El Chapo had infused millions of dollars into the economy of a poverty-stricken state and created jobs—in security, transport and manufacturing of drugs—that otherwise would have been nonexistent. Indeed, in 2008, the drug trade was Mexico's fifth-largest employer. It's likely the marchers were thinking about what El Chapo's capture will mean for them and their ability to put food on the table, rather than its impact on the drug war. And of course, those marching in Sinaloa weren't

alone in their support of the cartel. The Mexican newspaper El Universal recently uncovered evidence that both the Mexican government and US Drug Enforcement Agency adopted a policy of supporting key parts of the Sinaloa organization in hopes of rooting out rival cartels—from the Tijuana, Juárez and Beltrán Leyva cartels in the north, to the Familia Michoacana and Knights Templar in central-western Mexico, to the Zetas in the east and along most of the Gulf Coast. The backing of both states helped the Sinaloa cartel defeat rival groups and reinforce its already dominant position relative to other cartels.

Because NAFTA essentially provides drug gangs with a free source of labor, Phil Jordan, one of the leading authorities on Mexican drug organizations, told ABC News that this was a deal made in narco heaven

Grim 09 Ryan Grim, 8-1-2009, "NAFTA And The Drug Cartels: "A Deal Made In Narco Heaven"," HuffPost, https://www.huffingtonpost.com/ryan-grim/nafta-and-the-drug-cartel_b_223705.html //DF

The debate was difficult enough without having to talk about the sprawling Mexican drug trade and its attendant corruption. And how the agreement would also end up benefiting the cartels. So he ordered his people not to talk about it. "We were prohibited from discussing the effects of NAFTA as it related to narcotics trafficking, yes." **Phil Jordan, who had been one of the Drug Enforcement Administration's leading authorities on Mexican drug organizations, told ABC News** reporter Brian Ross four years after the deal had gone through. "For the godfathers of the drug trade in Colombia and Mexico, **this was a deal made in narco heaven.**" The agreement squeaked through Congress in late 1993 and went into effect January 1, 1994, the same day that the Zapatistas rose up in southeast Mexico. With its passage, more than two million trucks began flowing northward across the border annually. Only a small fraction of them were inspected for cocaine, heroin, or meth.

Cardenas

Kan 12 Paul Rexton Kan, 10-31-2012, Potomac Books, "Cartels at War: Mexico's Drug-Fueled Violence and the Threat to U. S. National Security,"

<https://books.google.com/books?id=xdM1dQ0qhokC&dq=nafta+and+cartels+or+drugs&lr=&sitesec=reviews> //DF

The definitive desintegration of the political-criminal nexus occurred when the PRI lost the presidency in both 2000 and 2006 to the right leaning Partido de Accion Nacional (PAN). Both successive governments took a more confrontational stance toward Mexican drug trafficking organizations. PAN's first president, Vicente Fox, briefly sent the Mexican army to two cities along the U.S. border to tackle the cartels and promised to fight "the mother of all battles" against them.²⁵ Part of the reason for this confrontation was the side effects of the terrorist attacks of 9/11 that renewed U.S. attention to border security and placed greater focus on border crossings from familiar plazas. Increased focus on U.S. ports of entry and well-traveled smuggling routes forced cartels to compete over alternative routes, while cartels and gangs competed to find ways to compensate for this loss of income. They did so by stimulating a consumer market at home; the cartels began selling drugs in Mexico. Once again, this broke a tacit understanding with the previous PRI government. There had been "an unspoken agreement with the government that gangs would be tolerated as long as they didn't sell the drugs in Mexico but passed them on instead to the gringos. Since 2001, local demand for cocaine has grown an estimated 20 percent per year."²⁶ Not only did this force Fox's hand, but the cartels and gangs sought to carve out new areas in local markets, leading to more conflict and violence that the government sought to contain. But **it was Felipe Calderon's razor-thin election to the presidency in 2006 that created the spark for the current cartel wars. After winning by a narrow margin** of 0.58 percentage points, **Calderon chose a platform to increase his legitimacy among Mexicans** after weeks of demonstrations by supporters of his opponents and amid accusations of electoral fraud. Ten days after his inauguration on December 1, 2006, Calderon sent 6,500 military personnel to a number of the most violent Mexican cities and declared war on drug cartels. "The most important reason for the December 11, 2006, declaration of war was political: to achieve legitimacy supposedly lost at the ballot box."²⁷ **Calderon's decision to take a more confrontational response**, however, **can also be viewed as a consequence of NAFTA. The burgeoning Mexican middle class is the product of**

increased economic opportunities in the hemisphere; large segments of this class have demanded public transparency, judicial reform, and, most of all, safety. As a member of this growing middle class, Calderon was responding to these voters who gave him his narrow electoral win.²⁸ Some of the killings of agents of the state are in retaliation for the PAN'S interference in the drug trafficking business. In effect, the violence is the cost the administrations of Vicente Fox and Felipe Calderon have had to pay for defecting from the tacit acquiescence that characterized successive PRI governments. In some instances, cartels have intentionally increased the insecurity of ordinary Mexicans as a signal to the government to back off its current strategy to bring down the cartels.

Romero 17 Henry Romero, 5-25-2017, "Mexico's Drug War," Council on Foreign Relations, <https://www.cfr.org/background/mexicos-drug-war> //DF

Calderon declared war on the cartels shortly after taking office in 2006. Over the course of his six-year term, he deployed tens of thousands of military personnel to supplement and, in many cases, replace local police forces. Under his leadership, the Mexican military, with U.S. assistance, captured or killed twenty-five of the top thirty-seven most wanted drug kingpins in Mexico. But the crackdown on cartel leaders had its drawbacks. President Enrique Pena Nieto's administration says Calderon's so-called "kingpin strategy" splintered the organizations, creating between sixty and eighty new, smaller drug trafficking gangs. Succession battles and territorial rivalries between cartels intensified, and violence spread. Criminal organizations increasingly turned to kidnapping and extortion to supplement their incomes. Nearly one hundred mayors and former mayors were killed, along with dozens of municipal leaders, between 2006 and 2016 as cartels vied for political power, according to the New York Times. The government registered 120,000 homicides over the course of Calderon's term, nearly twice as many as occurred during his predecessor's time in office. Because official Mexican government statistics do not single out drug-related deaths, quantifying the precise toll of the drug war has been a challenge. The Justice in Mexico project's 2017 report on drug violence estimates that organized-crime-style killings make up between one-third and one-half of the total homicides in a given year, depending on the sources used to calculate the figures.

Trade

Increases in exports increased the drug trade

Mckibben 18 Cameron McKibben [COHA Research Associate], 6-17-2018, "NAFTA and Drug Trafficking: Perpetuating Violence and the Illicit Supply Chain," Council on Hemispheric Affairs,

<http://www.coha.org/nafta-and-drug-trafficking-perpetuating-violence-and-the-illicit-supply-chain/> //DF

In 2013, about 350,000 loaded truck containers, 442,000 loaded rail containers, over 1.2 billion personal vehicle passengers, and more than 41 million pedestrians crossed the U.S.-Mexican border.[vi] Exports from Mexico to the United States increased from \$51.6 billion USD to \$280.5 billion USD between 1994 and 2013, an increase of 444%.[vii] Whether by train, truck, or foot, the amount of traffic crossing the border has increased exponentially since NAFTA came into force on January 1, 1994. It is not surprising that the flow of drugs has also increased. As of 2003, only 12.1 percent of all containers entering the United States nationwide were actually inspected.[viii] While an impressive number of containers are being searched, given the amount of total trade across the border, there remains ample opportunity for the smuggling of illicit materials. Despite the successes of NAFTA in increasing U.S.-Mexican trade, its failures have ultimately exacerbated the drug trade today. This further emphasizes the ambiguity in the relationship between the state and the DTOs. Even though state policies threaten the existence of DTOs, these organizations cannot survive without state support. Andreas labels this as a paradoxical “state-smuggler” relationship.[ix] NAFTA has manifested as state action inadvertently supporting the DTOs.

The cartels are diversifying

Thornton 14 Christy Thornton, Adam Goodman, 7-15-2014, "How the Mexican Drug Trade Thrives on Free Trade," Nation, <https://www.thenation.com/article/how-mexican-drug-trade-thrives-free-trade/> //DF

The irony of touting market-based reforms as a means of sweeping the drug trade under the rug is that the cartels themselves have become some of the most ruthlessly effective multinational capitalist enterprises in Mexico. The cartels are beginning to diversify, making money not just from drugs and other criminal activities like kidnapping and human trafficking but increasingly from control over industries like mining, logging and shipping. Meanwhile, finance and real estate sectors in Mexico and the United States are awash with cartel profits, with one United Nations analyst arguing that drug money was the “only liquid investment capital” that kept the international economy from completely imploding in 2008. Over the last few decades Mexican capitalism has become a tangled web of legal and illegal activity, and the distinctions between licit and illicit economies have become increasingly blurred. The policies of the Mexican and US governments are only accelerating this trend.

The drug war has been incredibly destructive. According Christy Thornton of the Nation: since 2006, more than 100,000 people have been disappeared or killed in Mexico.

Thornton 14 Christy Thornton, Adam Goodman, 7-15-2014, "How the Mexican Drug Trade Thrives on Free Trade," Nation, <https://www.thenation.com/article/how-mexican-drug-trade-thrives-free-trade/> //DF

Since 2006, more than 100,000 people have been disappeared or killed in Mexico, a country where more than 90 percent of crimes go unpunished. While running for president in 2012, Enrique Peña Nieto promised a new security strategy for the country, and an end to the highly militarized campaign waged by his predecessor, Felipe Calderón. Since taking office, however, Peña Nieto’s strategy has focused not on the safety of its people but on the confidence of its international investors. To make Mexico more attractive to overseas capital, he has pursued a market-based reform agenda that includes a technocratic overhaul of education, a move to shake up the telecommunications sector and the opening of the energy sector to foreign private

investment. New narratives about the "Aztec Tiger" won't make the kidnappings, beheadings and mass graves disappear, but Peña Nieto is doing everything he can to make foreign investors forget about them.

Impact

First, harming lives and quality of life.

Michael Lauderdale of UT Austin explains in 2012 that:

The Cartel business strategy is to move contraband in the flow of legit goods and the higher the traffic area, the more the appeal for the Cartels. as a result cities such as] Nuevo Laredo [have] has become a prize fought over by the Cartels. [committing] murders hanging of 9 bodies from bridges [are common] Cartel tactic[s] [used to centralize power] ,

Cartels are extremely dangerous organizations that kill millions of civilians, and as their power as grown under NAFTA, so have deaths. Kate Linthicum writes in the LA Times in 2017: last year, there were 20,000 drug homicides in Mexico, and drug deaths have been trending upwards since the 90s.

Linthicum 17 Kate Linthicum, 3-3-2017, "More and more people are being murdered in Mexico — and once more drug cartels are to blame," latimes,

<http://www.latimes.com/world/mexico-americas/la-fg-mexico-murders-20170301-story.html> //DF

Authorities have not said whether they believe the bloodied bodies discovered Tuesday night were a warning from one drug cartel to another, or a taunt aimed at the Mexican government, which the same day had announced it was sending more federal troops to the state of Veracruz to combat a recent increase in killings there. One thing is clear, however. More than a decade after then-President Felipe Calderon launched a crusade against drug cartels — dispatching tens of thousands of soldiers onto local streets to battle gangs — a drug war still rages, and the murder rate is once again rising rapidly. **Last year, there were 20,792 homicides in Mexico** — a 22% increase over 2015, and a 35% jump over 2014. This year has seen an unprecedented uptick in violence, with federal statistics showing nearly 2,000 people killed in the first month of 2017 — more than in any January since federal officials began releasing crime data in the 1990s. The Mexican government does not distinguish which deaths were tied to the cartels, but some crime experts have estimated that narco-violence could account for up to half of the overall numbers. The surge in homicides has called into question Mexico's military-led drug war strategy, as well as the United States' prominent role in the fight. Since 2008, the U.S. government has appropriated more than \$2.6 billion for the Merida Initiative, a partnership with the Mexican government aimed at disrupting organized crime and reforming Mexico's ailing police and justice systems.

And overall, Linthicum finds that 175,000 people have been killed.

Linthicum 17 Kate Linthicum, 3-3-2017, "More and more people are being murdered in Mexico — and once more drug cartels are to blame," latimes,

<http://www.latimes.com/world/mexico-americas/la-fg-mexico-murders-20170301-story.html> //DF

Last week, Mexican Interior Secretary Miguel Angel Osorio Chong told a local journalist that the aid is "not very significant," and said, "We really do not have any problems with its withdrawal." In the 10 years since the U.S. and Mexico began the Merida Initiative, he said, "Mexico has changed, grown, is more developed and stronger." But the **homicide rates portray a country still embroiled in an**

endless fight against organized crime that has left more than 175,000 people dead over the last 10

years. Mexico first deployed soldiers, marines and federal police officers against increasingly powerful cartels because local and state police forces were viewed as too weak to do it themselves. In some cases, cartels had infiltrated police forces, with mayors and other officials in collusion, too. The federal forces executed a "kingpin strategy" that targeted the cartel leaders, and one by one, powerful drug lords, including Joaquin "El Chapo" Guzman, were taken into custody or killed. While many security analysts agree that federal forces helped stop Mexico from becoming a narco state, the strategy also unwittingly unleashed a wave of violence as would-be kingpins fought for control of the cartels.

The killings have been so bad that, according to German Lopez at Vox news, Mexico's life expectancy has stagnated, and in men's cases, drop, after six decades of increases.

Lopez 16 German Lopez, 1-9-2016, "The war on drugs is literally killing Mexico," Vox,

<https://www.vox.com/2016/1/9/10738912/drug-war-deaths-mexico> //DF

The global war on drugs is killing Mexico: A new study found that **violence from the drug war caused Mexico's life expectancy to stagnate — and, in men's cases, drop — after six decades of increases**. The study, published in Health Affairs, found that male life expectancy in Mexico fell by about seven months between 2000 and 2010, as the nation's homicide rate rose from about 9.5 per 100,000 people to 22 per 100,000 people. Female life expectancy didn't decline, but gains slowed. (Men are generally more likely to be killed in drug-related violence.) This was a sharp shift from the steady gains the country had made for about six decades, the study found. Breaking down the numbers further, life expectancy increased in 30 of 31 Mexican states between 2000 and 2005, but decreased in all states between 2005 and 2010. The timing is no coincidence: Mexico stepped up its drug war in 2006, bringing a new wave of homicides as Mexican officials and drug cartels clashed in horrific violence that killed soldiers, police, drug cartel members, and civilians. The researchers noted, "The mortality rate for males ages 20–39 in Chihuahua in the period 2005–10 reached unprecedented levels: It was about 3.1 times higher than the mortality rate of US troops in Iraq between March 2003 and November 2006."

Second, stunting economic growth. In a 2016 Business Insider article, Chris Woody writes: high levels of violence in Mexico have prevented complex economic activities from starting and growing. These are sectors that are complex require a lot of skills, like technology, professionals, software development, such as the aerospace or automobile industries. Additionally, Mexicans are leaving the country for higher education because of the violence, a trend that is depriving the country of workers with the skills needed for advanced industries. For every 10% increase in homicide rates in Mexico, you see an increase in unemployment of half a percent.

Woody 16 Christopher Woody, 3-19-2016, "How an overlooked impact of Mexico's drug violence is holding back its economy," Business Insider,

<http://www.businessinsider.com/drug-violence-and-economic-complexity-in-mexico-2016-3> //DF

Recent research has shown that **high levels of violence in Mexico** — like the 7.6% increase in homicide rate the country experienced in 2015 — not only have a negative impact on workers, but also **prevent complex economic activities from starting and growing**. "Increasingly economists are arguing that what really matters is not how much [people] participate in the market, but the particular sectors and industries in which these persons are participating," said Viridiana Rios, a scholar at Harvard and fellow at the Wilson Center in Washington, D.C. "What **violence is** causing ... is **killing the industries that are complex. In those regions that are very violent, complexity cannot flourish**," Rios said during a presentation at the Wilson Center in January. "**Those sectors that are complex require a lot of skills, like technology, like professionals, like ... software**

development, the aerospace industry, the automobile industry, that require way more abilities," Rios added. **Mexicans are also leaving the country for higher education, in part because of violence, a trend that is depriving the country of workers with the requisite skills for advanced industries to grow.**

Violence has a measurable effect on economic opportunity and growth in Mexico. **"An increase of 9.8% in the number of criminal organizations is enough to eliminate one economic sector,"** Rios wrote in a paper published in December.

"Similar effects can be felt ... if gang-related violence increases by 5.4%," she said. **For every increase of 10 percentage points in homicide rates in Mexico, "you see an increase in unemployment in that region of half a point,"** Rios said at the Wilson Center. "Unemployment currently in Mexico is 5%, so for each 10 points of increase in the homicides rates, you see half a point extra on unemployment. That's pretty significant." "A violent Mexico is going to grow in industries that are naturally resilient to violence," Rios said, citing the capital-intensive electrical industry and mining, which has thrived in conflict-prone regions in the past, as sectors that can endure in the face of growing violence in Mexico.

The disruption of these industries has impacts on the entire Mexican economy.

Viridiana Rios at Harvard University finds in 2008: Mexico has lost 12% of its total GDP because of drug violence.

Rios 08 Viridiana Rios, [Department of Government, Harvard University], 2008, "Evaluating the economic impact of Mexico's drug trafficking industry," Institute for Quantitative Social Sciences, Harvard University https://scholar.harvard.edu/files/vrios/files/rios2008_mexicandrugmarket.pdf //DF

Violence also fosters migration. Studies of Sinaloa's migration flows -one of the major centers of drug trafficking in Mexico- has shown that drug-related violence has generated the migration of at least 360,000 inhabitants, leaving ghost towns all around the region (Lopez 2007). Tamaulipas has experienced the same phenomenon. Residents and local business constantly leave Tamaulipas' capital, tired of trafficker's extortions. In the last few years, more than a dozen businesses have relocated to the US (Corchado 2007). This is particularly hazardous for the Mexican economy because violence discourages investment. Transnational corporations do not want to invest personnel in an environment in which they may be in jeopardy or in which they would have to pay hazardous-duty salaries (WB 2004). Although it is difficult to calculate how violence is impacting economic development, a good proxy is the study by Londoño and Guerrero (2002) which measures the **economic costs of violence and crime in Mexico**¹². **According to the authors, total economic losses are 12.3% of the total Mexican GDP** (Londoño and Guerrero 2000, WB 2004). Of course, not all violence and crime are related to the drug business. Assuming that only a proportion of the crimes are drug related, the total cost of drug traffic goes from 0.43 to 1.43 billion dollars annually¹³. Second, drug traffic can also be considered a negative externality because it fosters corruption. Drug traffic is well known for corrupting authorities from all levels in the government hierarchy. The links between traffickers and Mexican police, prosecutors, judges and politicians are not a secret (Sarmiento 1991, Blancornaleras 2002, Fernández Menendez 1999, Fernández Menendez and Ronquillo 2006, Shelley 2001, and Chabat 2006). In fact, it has been documented that a significant part of drug revenues goes into the hands of corrupted politicians (Corchado 2005). Even president Calderon himself has accepted that organized crime has tried to extend its power to the political arena, either by funding, intimidating or impugning the electoral processes.

There are two impacts.

First, deaths.

Linthicum 17 Kate Linthicum, 3-3-2017, "More and more people are being murdered in Mexico — and once more drug cartels are to blame," latimes,

<http://www.latimes.com/world/mexico-americas/la-fg-mexico-murders-20170301-story.html> //DF

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Second, growth.

Woody 16 Christopher Woody, 3-19-2016, "How an overlooked impact of Mexico's drug violence is holding back its economy," Business Insider, <http://www.businessinsider.com/drug-violence-and-economic-complexity-in-mexico-2016-3> //DF

Recent research has shown that high levels of violence in Mexico — like the 7.6% increase in homicide rate the country experienced in 2015— not only have a negative impact on workers, but also prevent complex economic activities from starting and growing. "Increasingly economists are arguing that what really matters is not how much [people] participate in the market, but the particular sectors and industries in which these persons are participating," said Viridiana Rios, a scholar at Harvard and fellow at the Wilson Center in Washington, D.C. "What violence is causing ... is killing the industries that are complex. In those regions that are very violent, complexity cannot flourish," Rios said during a presentation at the Wilson Center in January. "Those sectors that are complex require a lot of skills, like technology, like professionals, like ... software development, the aerospace industry, the automobile industry, that require way more abilities," Rios added. Mexicans are also leaving the country for higher education, in part because of violence, a trend that is depriving the country of workers with the requisite skills for advanced industries to grow. Violence has a measurable effect on economic opportunity and growth in Mexico. "An increase of 9.8% in the number of criminal organizations is enough to eliminate one economic sector," Rios wrote in a paper published in December. "Similar effects can be felt ... if gang-related violence increases by 5.4%," she said. For every increase of 10 percentage points in homicide rates in Mexico, "you see an increase in unemployment in that region of half a point," Rios said at the Wilson Center. "Unemployment currently in Mexico is 5%, so for each 10 points of increase in the homicides rates, you see half a point extra on unemployment. That's pretty significant." "A violent Mexico is going to grow in industries that are naturally resilient to violence," Rios said, citing the capital-intensive electrical industry and mining, which has thrived in conflict-prone regions in the past, as sectors that can endure in the face of growing violence in Mexico.

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R2R

We negate that the benefits of the North American Free Trade Agreement outweigh the consequences.

Our sole point of contention is that NAFTA fuels the Mexican drug war.

NAFTA has strengthened Mexican cartels in 2 ways.

First, cartels exploit inequalities.

NAFTA's effects have been highly unequal. Jose Gonzalez at the Council on Foreign Relations writes in 2017: NAFTA drove the growth of foreign investment, high-tech manufacturing, and rising wages in Mexico's industrial north. However, the largely agrarian south has lost out; two million small-scale Mexican farmers were put out of work by cheap corn that flooded in from the United States because result of the lowered trade barriers. Even among farmers who kept their jobs, they now earn 1/3 of what they did before NAFTA.

Cameron Mckibben at the Council on Hemispheric Affairs writes in 2018: this inequality between the affluent north and impoverished south has contributed to the success of drug trafficking organizations. Without opportunity to earn a satisfactory income through farming, NAFTA created a network of disenfranchised individuals for the drug traffickers willing to pursue profit in the illicit economy.

Some farmers left the south for better opportunities in manufacturing jobs in the north, but even they became susceptible to cartel recruitment.

Kate Lintchium of the LA Times explains in 2017:

many mexicans went to frontier towns such as Juarez. Migration to cities like Juarez marked a cultural shift, where parents worked all day, and without extended family to look after them, children often found themselves alone. Drug cartels, whose power was growing, found easy recruits. As the city erupted into gang warfare, murders spiked, along with suicides and violence against women.

The cartel's control over disenfranchised areas has become quite substantial. Christy Thornton of the Nation reports that, as of 2008, the drug trade has become Mexico's fifth-largest employer.

Second, cartels exploit supply routes.

McKibben reports that

Whether by train, truck, or foot, the traffic crossing the border increased exponentially since NAFTA. By increasing cross-border trade, NAFTA inadvertently reduced transaction costs and potential risks for the DTOs. As a result, NAFTA dramatically increased the flow of drugs entering the United States – raising the amount by 25%.

There are two impacts of strengthening drug cartels.

First, killings.

Michael Lauderdale of UT Austin explains in 2012 that:

The Cartel business strategy is to control a turf. Cities have become turf wars fought over by the Cartels. Committing murders, and hanging bodies from bridges are common Cartel tactics used to centralize power in their area, and civilians are often caught in the crossfire

As cartel power has increased under NAFTA, so have deaths. Linthicum reports that there were 20,000 drug homicides in Mexico last year, it is clear that drug deaths have been increasing since the 90s.

Overall, Linthicum finds that 175,000 people have been killed.

The murders have been so bad that, according to a 2017 Vox article by German Lopez, Mexico's life expectancy has stagnated, and in men's cases, dropped, after six decades of increases.

Second, stunting economic growth.

In a 2016 Business Insider article, Chris Woody explains that high levels of violence in Mexico have prevented complex economic activities from starting and growing. These are sectors that require a lot of skills, like technology, professionals, software, and development, such as the aerospace or automobile industries.

Additionally, Mexicans are leaving the country for higher education because of the violence, a trend that is depriving the country of workers with the skills needed for advanced industries. For every 10% increase in homicide rates in Mexico, you see an increase in unemployment of half a percent.

The disruption of these industries has impacts on the entire Mexican economy. Viridiana Rios at Harvard University finds in 2008: Mexico has lost 12% of its total GDP because of drug violence.

EXTRAS

Mexican Environment

NAFTA has greatly damaged the Mexican environment. On the one hand, NAFTA dramatically increased investment into heavily polluting industries. According to the Council on Foreign Relations: US foreign direct investment in Mexico has increased from 15 billion to more than \$100 billion.

Mcbride 17 James McBride, 10-4-2017, "NAFTA's Economic Impact," Council on Foreign Relations, [//DF](https://www.cfr.org/backgrounder/naftas-economic-impact)

Economists largely agree that NAFTA has provided benefits to the North American economies. Regional trade increased sharply [PDF] over the treaty's first two decades, from roughly \$290 billion in 1993 to more than \$1.1 trillion in 2016. **Cross-border investment has also**

surged, with U.S. foreign direct investment (FDI) stock in Mexico increasing in that period from \$15 billion to more than \$100 billion.

But experts also say that it has proven difficult to tease out the deal's direct effects from other factors, including rapid technological change, expanded trade with other countries such as China, and unrelated domestic developments in each of the countries. Debate persists regarding NAFTA's legacy on employment and wages, with some workers and industries facing painful disruptions as they lose market share due to increased competition, and others gaining from the new market opportunities that were created.

Most of that money has gone to the manufacturing sector. David Markel in his 2003 book, Greening NAFTA, writes that the manufacturing sector received a combined 96% of this investment.

Markell 03 DAVID L. MARKELL [Steven M. Goldstein Professor of Law at the Florida State University College of Law], 2003, "Greening NAFTA: The North American Commission for Environmental Cooperation," Stanford Law and Politics,

https://books.google.com/books?id=o4gZf3jH_LcC&pg=PA117&lpg=PA117&dq=The+CEC+and+Environmental+Quality:+Assessing+the+Mexican+Experience,&source=bl&ots=-3rZ4fUCCo&sig=Ey2aT7INsWHanHysbZXPqplyd2c&hl=en&sa=X&ved=0ahUKEwiMu4i1htnbAhUYoYMKHatmDIQQ6AEIKzAA#v=onepage&q=The%20CEC%20and%20Environmental%20Quality%3A%20Assessing%20the%20Mexican%20Experience%2C&f=false //DF

Although not enough information exists for the second half of the 1990s, the capital stock probably increased somewhat, driven by the very significant FDI that has entered Mexico since then. In the period 1995-2000, FDI flowing annually to Mexico (about \$10.5 billion) almost doubled that of the period 1990-94 (around \$5.4 billion). The manufacturing sector received about 60% of this investment, but at the same time, and increasing prodportion of the FDI went to the maquiladora industry, reaching 36% in 2000. This expansion has mainly nurtured the export industry, which in turn has been the main catalyst of the manufacturing sector's transformation in the recent period. There were not many changes in the capital stock that could be directly linked to environmental upgrading, since the specific investment on environmental protection by enterprises still seems to be quite limited. In 1997, the environmental market was worth about \$2 billion in Mexico, that is, about 0.6 percent of Gross Domestic Product (GDP), which is considered too limited to be able to tackle the environmental problems, but the prospects are good, since such market has been growing at a to 14 percent rate annually."

These dramatically higher levels of investment into manufacturing have increased pollution. Markell furthers: The shifts in Mexican industry changed the regional distribution of production in Mexico, bringing alarming levels of air pollution to industrial centers.

Markell 03 DAVID L. MARKELL [Steven M. Goldstein Professor of Law at the Florida State University College of Law], 2003, "Greening NAFTA: The North American Commission for Environmental Cooperation," Stanford Law and Politics,

https://books.google.com/books?id=o4gZf3jH_LcC&pg=PA117&lpg=PA117&dq=The+CEC+and+Environmental+Quality:+Assessing+the+Mexican+Experience,&source=bl&ots=-3rZ4fUCCo&sig=Ey2aT7INsWHanHysbZXPqplyd2c&hl=en&sa=X&ved=0ahUKEwiMu4i1htnbAhUYoYMKHatmDIQQ6AEIKzAA#v=onepage&q=The%20CEC%20and%20Environmental%20Quality%3A%20Assessing%20the%20Mexican%20Experience%2C&f=false //DF

Air pollution accounts for more than half of the environmental damage estimates in Mexico—the equivalent of \$27 billion worth of damage in 1998. Mexico City has long been one of the most polluted cities in the world. While significant reductions in the levels of carbon monoxide (CO), lead (Pb), and sulfur dioxide (SO₂) have occurred, serious problems persist for ozone (O₃), nitrogen dioxide (NO₂), and particulates. Standards for particulate matter are the most frequently violated in Mexico City,

followed by violations in ozone standards, which are surpassed 90% of days each year since 1988. **The shifts in Mexican industrial policy outlined above are changing the regional distribution of production in Mexico, bringing alarming levels of air pollution to industrial centers.** For example, air pollution standards are now exceeded 90% of days each year in Guadalajara. **Exposure to particulate matter and ozone have the most severe effects on human health among air pollutants in Mexico.** A consistent finding among those examining the health effects of air pollution in Mexico is that each to ug/m³ increase in the levels of PM₁₀ (particulate matter of 10 microns or less) causes an increase of daily mortality 1%. Therefore, a 10% reduction in the levels of PM₁₀ could avert as many as 1,000 deaths per year. While many people equate rising levels of air pollution with increases in the use of motor vehicles, **industry is also a significant contributor to levels of air pollution in Mexico's industrial centers.** As shown in Table 7.1, industry contributes 41% of the particulate matter emissions in Mexico City, 89% in Monterrey, and 21% in Guadalajara. Industry is also a significant NO_x not only causes its own health and environmental problems, but along with SO₂ emissions in Mexico City, 92% in Monterrey and 68% of SO₂ emissions in Mexico City, 92% in Monterrey, and 68% in Guadalajara. Industrial activity also causes significant environmental problems other than air pollution in Mexico, water pollution key among them.

At the same time that dirty industry moved into Mexico, the government has done less to regulate it. Surveys of industrial firms in Mexico by the World Bank have found that regulatory requirements and enforcement were the primary reasons why those firms were in compliance with environmental regulation. While Mexico was pushing to emphasize enforcement during NAFTA negotiations, after NAFTA was passed, Markell writes: the number of inspections began to diminish precipitously, suggesting that, since NAFTA, Mexico has become less serious about enforcement.

Markell 03 DAVID L. MARKELL [Steven M. Goldstein Professor of Law at the Florida State University College of Law], 2003, "Greening NAFTA: The North American Commission for Environmental Cooperation," Stanford Law and Politics, https://books.google.com/books?id=o4gZf3jH_LcC&pg=PA117&lpg=PA117&dq=The+CEC+and+Environmental+Quality:+Assessing+the+Mexican+Experience,&source=bl&ots=-3rZ4fUCCo&sig=Ey2aT7INsWHanHysbZXPpilyd2c&hl=en&sa=X&ved=0ahUKEwiMu4i1htnbAhUYoYMKHatmDIQQ6AEIKzAA#v=onepage&q=The%20CEC%20and%20Environmental%20Quality%3A%20Assessing%20the%20Mexican%20Experience%2C&f=false //DF

Consistent with global comparisons, a number of studies have found that **firms that are subject to government enforcement and inspection measures are likely to be significantly "cleaner" than their counterparts.** Based on **surveys of 236 industrial firms in Mexico,** the World Bank found that in 60 percent of the firms surveyed, **regulatory requirements and enforcement were the primary reasons why those firms were in compliance with environmental regulation.**'S Mexico's overall record on enforcement and inspections has been very poor. Figure 7.2 shows that after years of very scant amounts of plant-level environmental inspections, **Mexico began to emphasize enforcement during the NAFTA negotiations, presumably due to pressure from its negotiating partners. Although the trend was going in the right direction,** reaching its highest point in 1993, plant-level environmental inspections peaked at only 6 percent of all firms in the country.' What is worrisome is that **after NAFTA was passed, the number of plant-level inspections began to diminish precipitously, suggesting that, since NAFTA, Mexico has become less serious about enforcement.** Although the overall trends in enforcement in Mexico are disappointing, there are a few success stories. There is evidence that the majority of inspections were concentrated in a few industries, mainly the chemical-petrochemicals, metal mechanics, and pulp and paper industries. Positive results have been documented in the chemical fibers and steel industries. In addition to government enforcement,

such gains were also due to external influences and market pressure. In these two industries, changes in environmental management were also in part because their foreign owners, customers, or governments in foreign markets demanded such measures."

This is because NAFTA wrestled control over environmental policy out of Mexico's hands. Professor of Global Development Policy at Boston University Kevin Gallagher writes in 2009: NAFTA goes too far in regulating government authority. Mexico's poor environment record has been due to the Mexican government's lack of commitment to environmental protection in the post-NAFTA period.

Gallagher 09 Kevin P. Gallagher [Professor of Global Development Policy; Director, Global Development Policy Center, Boston University], 11-2009, "The Future of North American Trade Policy: Lessons From NAFTA,," Pardee Center Task Force Report, Boston University, <http://www.ase.tufts.edu/gdae/Pubs/rp/PardeeNAFTACH6GallagherEnvtNov09.pdf> //DF

Unfortunately, these gains are exceptions rather than the rule. According to Mexican government figures, the economic costs of environmental degradation have continued to average 10 percent of GDP since NAFTA.³ Hazardous waste and air pollution are on the rise. Eight million tons of hazardous waste are generated in Mexico each year, but Mexico can only absorb one million tons per year. This has led to a large pile-up of hazardous waste, and to illegal waste trade as well.⁴ Biological and genetic diversity have become increasingly threatened under NAFTA from import floods and bio-prospecting. The expansion of export-oriented industrial agriculture has had high environmental costs in the form of unsustainable water use, loading of nitrogen and other agro-chemicals.⁵ **Mexico's poor environment record has been due to the Mexican government's lack of commitment to environmental protection in the post-NAFTA period. Indeed, real spending and inspection levels have all declined since NAFTA took effect.**⁶ A consistent theme throughout this report is that **NAFTA goes too far in regulating government authority. In the case of Mexico, NAFTA's investment rules made it difficult for Mexico to maintain a hazardous waste site.** Finally, NAFTA's environmental side agreement and related institutions lack the authority to deal with these and other problems. In addition, they have been under-funded, relegating them to the role of interesting pilot projects rather than comprehensive tri-national mechanisms to address environmental issues.

As a result of these two factors, more polluting industries and less regulation of those industries, Markell finds that air pollution has increased by 97% in Mexico.

Markell 03 DAVID L. MARKELL [Steven M. Goldstein Professor of Law at the Florida State University College of Law], 2003, "Greening NAFTA: The North American Commission for Environmental Cooperation," Stanford Law and Politics, https://books.google.com/books?id=o4gZf3jH_LcC&pg=PA117&lpg=PA117&dq=The+CEC+and+Environmental+Quality:+Assessing+the+Mexican+Experience.&source=bl&ots=-3rZ4fUCCo&sig=Ey2aT7INsWHanHysbZXPpdyd2c&hl=en&sa=X&ved=0ahUKewiMu4i1htnbAhUYoYMKHatmDIQQ6AEIKzAA#v=onepage&q=The%20CEC%20and%20Environmental%20Quality%3A%20Assessing%20the%20Mexican%20Experience%2C&f=false //DF

For the majority of key environmental indicators, there is no sign of a turnaround regarding environmental degradation in Mexico. As Figure 7.1 shows, negative environmental trends have grown faster than (and despite) rising incomes in Mexico. Although GDP grew by 38 percent between 1985 and 1999 (10 percent in per capita terms), **rural soil erosion grew by 89 per-cent, municipal solid waste by 108 percent, water pollution by 29 percent, and air pollution by 97 percent.** Disaggregating air pollution, sulfur

dioxide grew by 42 percent, nitrous oxides by 65 percent, hydrocarbons by 104 per-cent, carbon monoxide by 105 percent, and particulate matter by 43 per-cent.' The economic costs of this environmental degradation in Mexico during this period have been severe. According to estimates derived by the official Mexican statistical agency, the annual environmental costs of economic growth amount to 10 percent of annual GDP in Mexico from 1985 to 1999.⁸ Ten percent of Mexican GDP over that period equates to \$36 billion each year. These costs overwhelm the value of economic growth in Mexico, which was just 2.5 percent annually over the same period, or \$14 billion a year.

Deaths from air pollution subsequently increased, and are now major causes of death in Mexico. According to the nonprofit Mario Molina Center, premature deaths in Mexico linked to air pollution have increased from 17,000 to 21,000 per year.

Ireland 14 Corydon Ireland [Harvard Staff Writer], 10-28-2014, "Coming up for air," Harvard Gazette, <https://news.harvard.edu/gazette/story/2014/10/coming-up-for-air/> /DF

But challenges remain. The Mexico City Metropolitan Area, home to more than 20 million people, is still the most polluted part of the country when it comes to ozone. (According to WHO, ozone levels there are 2.5 times beyond safe limits.) This is also the fourth-most-polluted urban area in Mexico for PM-10 particulates, the soot small enough to penetrate the respiratory system, impairing lung and heart health. Those remaining challenges are reflected in the health figures. From 2005 to 2010, the nonprofit Mario Molina Center reported that premature deaths in Mexico linked to air pollution increased from 17,000 to 21,000 — just the kind of health consequences Harvard and Mexico City researchers will be analyzing. Geography and climate are partly to blame for the pollutants that remain stubbornly resistant to regulatory changes. In addition to trapping pollutants in its bowl-like landscape, Mexico City is also at a high altitude, nearly 7,400 feet above sea level, which increases levels of solar radiation. In turn, that stimulates the formation of ozone. In so many ways in Mexico, "geography has been destiny," said Mexico City architect and designer Jose Castillo in a recent Harvard lecture.

Food Poverty

NAFTA's promises to improve the Mexican economy have fallen flat. Jose Gonzalez at the Council on Foreign Relations writes in 2017: Between 1993 and 2013, Mexico's economy grew at an average rate of just 1.3 percent a year, far slower than other Latin American countries like Chile and Peru; poverty remains at the same levels as in 1994; and the expected "wage convergence" between U.S. and Mexican wages didn't happen. Economic growth has been stagnant largely because NAFTA's effects have been highly uneven. In the industrial North, Gonzalez explains that NAFTA increased foreign investment and high-tech manufacturing. But the agrarian south remains detached from this new economy, not sharing in such benefits.

Gonzalez 17 Josue Gonzalez, 10-4-2017, "NAFTA's Economic Impact," Council on Foreign Relations, <https://www.cfr.org/background/naftas-economic-impact> //DF

But Mexico's NAFTA experience has suffered from a disconnect between the promises of some of its supporters—that the pact would deliver rapid growth, raise wages, and reduce emigration—and the deal's more mixed outcomes. Between 1993 and 2013, Mexico's economy grew at an average rate of just 1.3 percent a year during a period when Latin America was undergoing a major expansion. Poverty remains at the same levels as in 1994. And the expected "wage convergence" between U.S. and Mexican wages

didn't happen, with Mexico's per capita income rising at an annual average of just 1.2 percent in that period—far slower than Latin American countries such as Brazil, Chile, and Peru. Mexican **unemployment also rose**, which some economists have **blamed on NAFTA for exposing Mexican farmers**, especially corn producers, **to competition from heavily subsidized U.S. agriculture**. A study led by CEPR economist Mark Weisbrot estimates that **NAFTA put almost two million small-scale Mexican farmers [PDF] out of work, in turn driving illegal migration to the United States**. (Migration to the United States, both legal and illegal, more than doubled after 1994, peaking in 2007. However, the flow reversed after 2008 as more Mexican-born immigrants began leaving the country than arriving. Experts attribute this to stricter border enforcement, changing demographics in Mexico, and the combination of fewer available jobs in the United States along with more in Mexico.) Many analysts explain these divergent outcomes by pointing to the “two-speed” nature of Mexico's economy, in which **NAFTA drove the growth of foreign investment, high-tech manufacturing, and rising wages in the industrial north, while the largely agrarian south remains detached from this new economy**. As University of Pennsylvania economist Mauro Guillen argues, **Mexico's rising inequality stems from NAFTA-oriented workers in the north gaining much higher wages from trade-related activity**. Ultimately, many experts caution, Mexico's recent economic performance has been affected by many non-NAFTA factors. The 1994 devaluation of the peso drove Mexican exports, while competition with China's low-cost manufacturing sector [PDF] likely depressed growth. Unrelated public policies, such as land reform, made it easier for farmers to sell their land and emigrate. As UCSD's Hanson has argued [PDF], Mexico's struggles have largely domestic causes: poorly developed credit markets, a large and low-productivity informal sector, and dysfunctional regulation.

While NAFTA has not improved the wages and living standards of many Mexicans, it has seriously altered their diets. Andrew Jacobs writes in a 2017 New York Times article: in addition to dramatically lowering cross-border tariffs, Nafta let billions of dollars in direct foreign investment into Mexico, fueled the growth of American fast food restaurants and convenience stores, and opened the floodgates to cheap corn, meat, high-fructose corn syrup and processed foods. The surge in agricultural investment displaced nearly five million people who worked on family farms [in the Mexican south]. Many migrated to cities, adding to the ranks of those who rely on Western, processed food.

Jacobs 17 Andrew Jacobs and Matt Richtel, 12-11-2017, "A Nasty, Nafta-Related Surprise: Mexico's Soaring Obesity," NYT, <https://www.nytimes.com/2017/12/11/health/obesity-mexico-nafta.html> //DF The broader pros and cons of Nafta have come under increasing scrutiny given President Trump's threats to dismantle it. Among its chief champions are American farm and food-retailing interests whose fortunes have benefited tremendously from the open market. Mexican exports to the United States have surged, and a more stable economic structure has evolved in Mexico. The country's unemployment rate has stayed mostly constant, but average wages have fallen to \$15,311 in 2016 from \$16,008 in 1994, according to the Organization for Economic Cooperation and Development. **In addition to dramatically lowering cross-border tariffs, Nafta let billions of dollars in direct foreign investment into Mexico, fueled the growth of American fast food restaurants and convenience stores, and opened the floodgates to cheap corn, meat, high-fructose corn syrup and processed foods. The surge in agricultural investment** from the north modernized Mexican farming practices but it also **displaced nearly five million people who worked on family farms [in the Mexican south]. Many migrated to cities, adding to the ranks of those who rely on Western, processed food**. The top two grocery chains and most of the top food service outlets in Mexico are American backed or partners with companies like Walmart, Subway and Pizza Hut. Oxxo, the convenience store chain, is owned by Femsa, a Mexican food and beverage conglomerate that received hundreds of millions of dollars in foreign investment, helping it grow to 16,000 stores from 400 in 1990. Critics of Nafta acknowledge the complex causes of obesity, but argue free trade intensified the problem by opening Mexico's largely isolated economy.

This has created a health crisis. Jacobs continues: in 1980, 7 percent of Mexicans were obese, a figure that tripled to 20% by 2016.

Jacobs 17 Andrew Jacobs and Matt Richtel, 12-11-2017, "A Nasty, Nafta-Related Surprise: Mexico's Soaring Obesity," New York Times,

<https://www.nytimes.com/2017/12/11/health/obesity-mexico-nafta.html> //DF

Mexico began lifting tariffs and allowing more foreign investment in the 1980s, a transition to free trade given an exclamation point in 1994, when Mexico, the United States and Canada enacted the North American Free Trade Agreement. Opponents in Mexico warned that the country would lose its cultural and economic independence. But few critics predicted it would transform the Mexican diet and food ecosystem to increasingly mirror those of the United States. **In 1980, 7 percent of Mexicans were obese, a figure that tripled to 20.3 percent by 2016**, according to the Institute for Health Metrics and Evaluation at the University of Washington. **Diabetes is now Mexico's top killer, claiming 80,000 lives a year**, the World Health Organization has reported. For many Mexicans, Nafta promised to make real "the fever dreams of joining the modern economy," said Timothy A. Wise, a trade expert at the Small Planet Institute and Tufts University. "All former rural workers would be in new jobs in the burgeoning manufacturing industries of the post-Nafta world. That just hasn't happened."

This obesity epidemic has disproportionately harmed Mexico's poor. Laura Carlsen, director of the Americas Program at the Center for International Policy, explains in 2011: fatness no longer represents abundance. It is the poor who drink cheap Coca Cola when they do not have access to potable water or who give their kids a bag of potato chips when local fresh food is no longer available.

Laura Carlsen, 11-24-2013, "Under Nafta, Mexico Suffered, and the United States Felt Its Pain," New York Times

<https://www.nytimes.com/roomfordebate/2013/11/24/what-weve-learned-from-nafta/under-nafta-mexico-suffered-and-the-united-states-felt-its-pain> (NK)

The dramatic change in Mexican eating habits since NAFTA is not only reflected in the millions who go to bed hungry. On the other side of the scale, Mexico has in just a decade and a half become second only to the United States worldwide in morbid obesity. Child obesity, overweight, and diabetes now constitute major health problems, alongside the more traditional problem of hunger. It's not that the rich are getting too fat and the poor too thin, although inequality plays a role in the erosion of healthy diets for all. **Fatness no longer represents abundance. It is the poor who drink cheap Coca Cola when they do not have access to potable water or who give their kids a bag of potato chips when local fresh food is no longer available.** The International Journal of Obesity finds that worldwide the spread of what they call "the Western diet" ("high in saturated fats, sugar, and refined foods but low in fiber") has meant that "the burden of obesity is shifting towards the poor." The NAFTA generation reflects the paradigm so eloquently described by food researcher and activist Raj Patel of "stuffed and starved". With another food crisis looming due to rising international prices, Mexico could face food riots as well as the spread of starvation and its consequences over the coming year. Unless the riots turn violent or spark more widespread social upheaval as they did in Arab countries, it's not likely that the news media will pay any attention.

This epidemic not only harms quality of life, but can be fatal as well. Jacobs writes: diabetes is now Mexico's top killer, claiming 80,000 lives a year.

Jacobs 17 Andrew Jacobs and Matt Richtel, 12-11-2017, "A Nasty, Nafta-Related Surprise: Mexico's Soaring Obesity," New York Times,

<https://www.nytimes.com/2017/12/11/health/obesity-mexico-nafta.html> //DF

Mexico began lifting tariffs and allowing more foreign investment in the 1980s, a transition to free trade given an exclamation point in 1994, when Mexico, the United States and Canada enacted the North American Free Trade Agreement. Opponents in Mexico warned that the country would lose its cultural and economic independence. But few critics predicted it would transform the Mexican diet and food ecosystem to increasingly mirror those of the United States. **In 1980, 7 percent of Mexicans were obese, a figure that tripled to 20.3 percent by 2016**, according to the Institute for Health Metrics and Evaluation at the University of Washington. **Diabetes is now Mexico's top killer, claiming 80,000 lives a year**, the World Health Organization has reported. For many Mexicans, Nafta promised to make real "the fever dreams of joining the modern economy," said Timothy A. Wise, a trade expert at the Small Planet Institute and Tufts University. "All former rural workers would be in new jobs in the burgeoning manufacturing industries of the post-Nafta world. That just hasn't happened."

The results have been disastrous. Carlsen writes that 20 million Mexicans live in food poverty, meaning they are unable to access healthy and nutritious food.

Laura Carlsen, 11-24-2013, "Under Nafta, Mexico Suffered, and the United States Felt Its Pain," New York Times <https://www.nytimes.com/roomfordebate/2013/11/24/what-weve-learned-from-nafta/under-nafta-mexico-suffered-and-the-united-states-felt-its-pain> (NK)

On the other hand, the last two decades have seen growing inequality in the United States and concerns that low-skilled jobs have been hollowed out both by advances in technology and the signing of trade agreements. Nafta has cut a path of destruction through Mexico. Since the agreement went into force in 1994, the country's annual per capita growth flat-lined to an average of just 1.2 percent -- one of the lowest in the hemisphere. Its real wage has declined and unemployment is up. As heavily subsidized U.S. corn and other staples poured into Mexico, producer prices dropped and small farmers found themselves unable to make a living. Some two million have been forced to leave their farms since Nafta. At the same time, consumer food prices rose, notably the cost of the omnipresent tortilla. As a result, **20 million Mexicans live in "food poverty"**. Twenty-five percent of the population does not have access to basic food and one-fifth of Mexican children suffer from malnutrition. Transnational industrial corridors in rural areas have contaminated rivers and sickened the population and typically, women bear the heaviest impact. Not all of Mexico's problems can be laid at Nafta's doorstep. But many [of Mexico's problems] have a direct causal link [to Nafta]. The agreement drastically restructured Mexico's economy and closed off other development paths by prohibiting protective tariffs, support for strategic sectors and financial controls. Nafta's failure in Mexico has a direct impact on the United States. Although it has declined recently, jobless Mexicans migrated to the United States at an unprecedented rate of half a million a year after Nafta. Workers in both countries lose when companies move, when companies threaten to move as leverage in negotiations, and when nations like Mexico lower labor rights and environmental enforcement to attract investment.

NAFTA allowed US agribusinesses to dump of cheap food in Mexico, pricing out their Mexican competitors. Tim Wise at Tufts University explains: NAFTA ended Mexico's agricultural tariffs, which the country had relied on heavily to protect its farmers from cheaper U.S. exports. However, the agreement did nothing to mandate reductions in American agro-subsidies. Prices fell soon enough, and NAFTA opened the floodgates to virtually unrestricted dumping of grains and other agricultural products into Mexico.

Timothy Wise, Mexico: The Cost of U.S. Dumping, Tufts, 2011, <http://www.ase.tufts.edu/gdae/Pubs/rp/WiseNACLADumpingFeb2011.pdf> (NK) For years developing countries have complained that rich countries undermine their agricultural development by "dumping" surplus commodities on them—that is, by exporting their grains and other products at prices below what it cost to produce them. But how much does such dumping cost farmers in developing countries? According to my new study of U.S. dumping on Mexico after NAFTA Mexican farmers on average lost more than \$1 billion per year during the nine-year period of 1997–2005, with more than half the losses suffered by the country's embattled corn farmers. The study is part of a new, multi-author report, Subsidizing Inequality: Mexican Corn Policy Since NAFTA. 1 **On the one hand, NAFTA disciplined Mexico's use of tariffs, which the country had relied on heavily to protect its farmers from cheaper U.S. exports. But on the other hand, the agreement did nothing to mandate reductions in the use of subsidies**, which have been the U.S. government's preferred means of supporting agriculture since supply management policies ended with the 1996 Farm Bill. **That** deregulation of U.S. agriculture **resulted in larger surpluses of corn and other supported commodities; prices fell soon enough, and NAFTA opened the floodgates to virtually unrestricted dumping [of grains and other agricultural products] into Mexico.** And did NAFTA ever open those floodgates! As the table on the next page shows (first column from the left), U.S. exports to Mexico of eight key

agricultural commodities— corn, soybeans, wheat, cotton, rice, beef, pork, and poultry—increased dramatically in the period studied: from a “low” increase of 159% for soybeans to an astonishing 707% for pork. Corn, the most sensitive product given that 3 million Mexican farm families grow it, saw increases of 413% in U.S. exports since the early 1990s. Without exception, the United States exported these products at prices below what it cost to produce them, one of the definitions of dumping under World Trade Organization rules.² This is dramatically illustrated if we look at the “dumping margin,” or the percentage by which export prices were below U.S. costs of production. For the nine-year period—which encompasses the years both after NAFTA and the 1996 Farm Bill were implemented, and before the speculative commodity price spikes that began in 2006—dumping margins ranged from 12% to 38% for the five crops, and between 5% and 10% for the meats, calculated on the basis of their access to below cost feed grains (second column). U.S. corn was on average dumped at 19% below production costs

Dumping allowed US agribusinesses to replace Mexican farms, and made Mexicans heavily reliant on those US imports. Laura Carlsen, director of the Americas Program at the Center for International Policy, explains in 2011: Mexico’s spending on food imports has risen from 1.8 billion to \$24 billion after NAFTA, and they’re set to import 80% of all food. For the hungry, this means that prices set on the international market determine who eats and who starves. Mexican consumers now pay more for tortillas and food in general. Price hikes on the international market push basic food out of reach for the millions of poor in the country.

Carlsen 11 Laura Carlsen [director of the Americas Program for the Center for International Policy], 10-20-2011, "NAFTA Is Starving Mexico," Foreign Policy In Focus, https://fpif.org/nafta_is_starving_mexico/ //DF

Conversion to other crops turned out to take years in most cases. Prices were volatile and harvests unreliable. It was not feasible at all on many small, often rocky plots where corn guarantees a subsistence diet for farm families. Niche markets failed to grow to much more than 2 percent of total agricultural production. The areas that adapted successfully to industrial agriculture and agroexport crops are characterized by flagrant violation of the labor rights of migrant farm workers, widespread pollution and water waste, and extreme concentration of land and resources. **For the hungry, this means that prices set on the international market determine who eats and who starves. Mexican consumers now pay more for tortillas and food in general. Price hikes on the international market push basic food out of reach for the millions of poor in the country.** Food Dependency. **In post-NAFTA Mexico, 42 percent of the food consumed comes in from abroad. Before NAFTA, the country spent \$1.8 billion dollars on food imports. It now spends a whopping \$24 billion.** In an interview, rural researcher Ernesto Ladrón de Guevara noted that **in some basic foods, the dependency on imports is dramatic: 80 percent in rice, 95 percent in soybeans, 33 percent in beans, and 56 percent in wheat.** The country is the world’s number-one importer in the world of powdered milk. NAFTA decimated Mexico’s once-thriving dairy sector, and the market takeover by transnational powdered milk is linked to the crisis in infant malnutrition. Mexico imports 33 percent of its consumption, a figure that belies the reliance on imports because the sheer volume of consumption is so large. Ladrón de Guevara stated that it has gone from importing around 250,000 tons before NAFTA to 13 million tons. Transnational traders often favor imports over national production because of the attractive credit arrangements offered by the United States, making it “a double business—importing corn and money.” The U.S. department of agriculture estimates that **if current trends continue Mexico will acquire 80 percent of its food from other countries** (mostly the United States). The UN’s Food and Agriculture Organization calls a country food dependent when the cost of its imports exceeds 25 percent of total exports. Peasant farmer organizations have criticized the definition as ludicrous in an oil-producing country that nonetheless has seen serious erosion in its capacity to feed its people and guarantee access to basic foods for all.

For example, a Global Trade Watch report found that the price of tortillas, Mexico’s staple food, shot up 279% in NAFTA’s first 10 years.

Global Trade Watch, No Author, 2018, NAFTA’s Legacy for Mexico: Economic Displacement, Lower Wages for Most, Increased Migration, https://www.citizen.org/sites/default/files/nafta_factsheet_mexico_legacy_march_2018_final.pdf (NK)

According to a New Republic exposé: “as cheap American foodstuffs flooded Mexico’s markets and as U.S. agribusiness moved in, 1.1 million small farmers – and 1.4 million other Mexicans dependent upon the farm sector – were driven out of work between 1993 and 2005. Wages

dropped so precipitously that today the income of a farm laborer is one-third that of what it was before NAFTA." The exposé noted that, as jobs and wages fell, many rural Mexicans joined the ranks of the 12 million undocumented immigrants competing for low-wage jobs in the United States. Though the price paid to Mexican farmers plummeted after NAFTA, the newly deregulated retail price of tortillas – Mexico's staple food – shot up 279 percent in the pact's first 10 years. This contradicts free trade theory, which predicts that gains from liberalization come on the import side as all consumers enjoy lower prices, while injury only occurs to those in sectors directly displaced by imports. But, **NAFTA included service sector and investment rules that facilitated consolidation of grain trading, milling, baking and retail.** So in short order **the relatively few remaining large firms dominating [the agricultural market]** these activities **were able to raise the prices paid by Mexican consumers and reap extra profits as corn costs simultaneously declined. This problem is ongoing; Recent reports show that U.S. exports of [agricultural goods]** corn, wheat, soybeans and rice **are all sold below production costs, devastating Mexico's agricultural sector.**

The results have been disastrous. Carlsen writes that 20 million Mexicans live in food poverty, meaning they are unable to access healthy and nutritious food.

Laura Carlsen, 11-24-2013, "Under Nafta, Mexico Suffered, and the United States Felt Its Pain," New York Times <https://www.nytimes.com/roomfordebate/2013/11/24/what-weve-learned-from-nafta/under-nafta-mexico-suffered-and-the-united-states-felt-its-pain> (NK)

On the other hand, the last two decades have seen growing inequality in the United States and concerns that low-skilled jobs have been hollowed out both by advances in technology and the signing of trade agreements. Nafta has cut a path of destruction through Mexico. Since the agreement went into force in 1994, the country's annual per capita growth flat-lined to an average of just 1.2 percent -- one of the lowest in the hemisphere. Its real wage has declined and unemployment is up. As heavily subsidized U.S. corn and other staples poured into Mexico, producer prices dropped and small farmers found themselves unable to make a living. Some two million have been forced to leave their farms since Nafta. At the same time, consumer food prices rose, notably the cost of the omnipresent tortilla. As a result, **20 million Mexicans live in "food poverty"**. Twenty-five percent of the population does not have access to basic food and one-fifth of Mexican children suffer from malnutrition. Transnational industrial corridors in rural areas have contaminated rivers and sickened the population and typically, women bear the heaviest impact. Not all of Mexico's problems can be laid at Nafta's doorstep. But many [of Mexico's problems] have a direct causal link [to Nafta]. The agreement drastically restructured Mexico's economy and closed off other development paths by prohibiting protective tariffs, support for strategic sectors and financial controls. Nafta's failure in Mexico has a direct impact on the United States. Although it has declined recently, jobless Mexicans migrated to the United States at an unprecedented rate of half a million a year after Nafta. Workers in both countries lose when companies move, when companies threaten to move as leverage in negotiations, and when nations like Mexico lower labor rights and environmental enforcement to attract investment.

At the same time of these Price Hikes, Jacobs of the New York Times explains in 2017 Nafta let billions of dollars in direct foreign investment into Mexico, fueled the growth of American fast food restaurants and convenience stores, and opened the floodgates to cheap corn, meat, high-fructose corn syrup and processed foods

Jacobs 17 Andrew Jacobs and Matt Richtel, 12-11-2017, "A Nasty, Nafta-Related Surprise: Mexico's Soaring Obesity," New York Times, <https://www.nytimes.com/2017/12/11/health/obesity-mexico-nafta.html> //DF

Mexico began lifting tariffs and allowing more foreign investment in the 1980s, a transition to free trade given an exclamation point in 1994, when Mexico, the United States and Canada enacted the North American Free Trade Agreement. Opponents in Mexico warned that the country would lose its cultural and economic independence. But few critics predicted it would transform the Mexican diet and food ecosystem to increasingly mirror those of the United States. In 1980, 7 percent of Mexicans were obese, a figure that tripled to 20.3 percent by 2016, according to the Institute for Health Metrics and Evaluation at the University of Washington. Diabetes is now Mexico's top killer, claiming 80,000 lives a year, the World Health Organization has reported. For many Mexicans, Nafta promised to make real "the fever dreams of joining the modern economy," said Timothy A. Wise, a trade expert at the Small Planet Institute and Tufts University. "All former rural workers would be in new jobs in the burgeoning manufacturing industries of the post-Nafta world. That just hasn't happened." "The only way that Mexico became a 'first world' country was in terms of diet." The phenomenon is not limited to Mexico. Research shows free trade is among the key factors that have accelerated the spread of low-nutrient, highly processed foods from the West, "driving the obesity epidemic in China, India, and other developing countries worldwide," according to the T.H. Chan School of Public Health at Harvard. But Jaime Zabludovsky Kuper, Mexico's deputy chief negotiator on the pact, said Nafta didn't cause obesity. Instead, he said, it lowered food prices and reduced malnutrition. In 2012, 1.6 percent of Mexican children suffered from severe malnutrition, a sharp drop from 6.2 percent in 1988, according to government data. Mr. Zabludovsky said that Mexicans had long been enticed by American food, and that high tariffs used to make it expensive, not

unavailable. The economy is now more stable, he said, and Mexicans are living longer — which is partly why more people are dying from noncommunicable diseases like diabetes and heart disease. “It’s a symptom of relative prosperity,” he said. The broader pros and cons of Nafta have come under increasing scrutiny given President Trump’s threats to dismantle it. Among its chief champions are American farm and food-retailing interests whose fortunes have benefited tremendously from the open market. Mexican exports to the United States have surged, and a more stable economic structure has evolved in Mexico. The country’s unemployment rate has stayed mostly constant, but average wages have fallen to \$15,311 in 2016 from \$16,008 in 1994, according to the Organization for Economic Cooperation and Development. Critics of Nafta acknowledge the complex causes of obesity, but argue free trade intensified the problem by opening Mexico’s largely isolated economy. In addition to dramatically lowering cross-border tariffs, **Nafta let billions of dollars in direct foreign investment into Mexico, fueled the growth of American fast food restaurants and convenience stores, and opened the floodgates to cheap corn, meat, high-fructose corn syrup and processed foods.** The surge in agricultural investment from the north modernized Mexican farming practices but it also displaced nearly five million people who worked on family farms. Many migrated to cities, adding to the ranks of those who rely on Western, processed food. The top two grocery chains and most of the top food service outlets in Mexico are American backed or partners with companies like Walmart, Subway and Pizza Hut. Oxxo, the convenience store chain, is owned by Femsda, a Mexican food and beverage conglomerate that received hundreds of millions of dollars in foreign investment, helping it grow to 16,000 stores from 400 in 1990.

Infact, Tracie Mcmillan of NPR quantifies in 2015

Tracie Mcmillan, 2-13-2015, "How NAFTA Changed American (And Mexican) Food Forever," NPR.org, <https://www.npr.org/sections/thesalt/2015/02/13/385754265/how-nafta-changed-american-and-mexican-food-forever> (NK)
While Mexico is now the largest market for American apples and pears, U.S. meat exports to Mexico have doubled in the last two decades. Our exports of feed corn for livestock also now account for nearly one-third of the country's supply — meaning that even when Mexicans eat domestic meat, it's often been fed on American corn. But **the biggest change is how much more processed food and American-style supermarkets our neighbors have been importing.** Indeed, American investment in Mexican food manufacturing — rather than agriculture, for example — has tripled since 1999, as have sales of American processed food products there. **American companies are also sending Mexico the ingredients to make foods like high-fructose corn syrup; HFCS exports to Mexico are now 863 times what they were before NAFTA. And all of that ends upon the shelves of supermarkets, whose business model relies heavily on processed food.** Walmart, which opened its first Mexican store in 1991, four years after it began selling groceries, **now operates 2,114 stores that offer food in Mexico.** You've likely heard that America's in the middle of a craft beer revolution. Well, we're also, apparently, swooning for cerveza de Mexico. In 2013, we imported about 2 million tons of Coronas and Modelos, making beer Mexico's largest agricultural export to the U.S.

Neoliberalism

Weisbrot writes: The idea was that the continuation and expansion of these policies would allow Mexico to achieve efficiencies and economic progress that was not possible under the protectionist economic model that had prevailed in the decades before. Despite such goals the end result has been decades of economic failure by almost any economic or social indicator.

Weisbrot 17 Mark Weisbrot [Co-Director at the Center for Economic and Policy Research], 3-2017, "Did NAFTA Help Mexico?: An Update After 23 Years," Center for Economic and Policy Research, <http://cepr.net/images/stories/reports/nafta-mexico-update-2017-03.pdf?v=2> //DF

The vulnerability to developments in US financial markets continues. In May of 2013, after the US Federal Reserve announced a future “tapering” of its quantitative easing program (QE3), there were fears of a repeat of the 1994 peso crisis, and gross foreign portfolio inflows came to a sudden stop. The Mexican economy took a hit, with growth of 1.4 percent for the year. This was mostly because, as the IMF noted, “Mexico’s deep and liquid foreign exchange and domestic equity and sovereign bond markets can serve as an early port of call for global investors in episodes of financial turbulence and hence are susceptible to risks of contagion.” This vulnerability is also a result of the policies

that NAFTA was designed to facilitate. Moreover, the Mexican economy likely faces more risks as the Fed continues to raise US interest rates. As was well known at the time of NAFTA's passage, **the main purpose of NAFTA was to lock in a set of economic policies [in Mexico]**, some of which were already well under way in the decade prior. These included the **liberalization of manufacturing, of foreign investment, and of ownership**, and other changes.¹ **The idea was that the continuation and expansion of these policies would allow Mexico to achieve efficiencies and economic progress that was not possible under the developmentalist, protectionist economic model that had prevailed in the decades before** 1980. While some of the policy changes were undoubtedly necessary and/or positive, **the end result has been decades of economic failure by almost any economic or social indicator**. This is true whether we compare Mexico to its developmentalist past, or even if the comparison is to the rest of Latin America since NAFTA. After 23 years, these results should provoke more public discussion as to what went wrong.

NAFTA, by keeping Mexico on a bad course, has stunted their economic growth. Vincent Pham at the University of Washington writes in 2013: In the aftermath of NAFTA's establishment, many U.S corporations seeking laxer standards and cheaper labor pushed into Mexico and began their operations there without the same sense of accountability, turning the border into a low wage haven. Neoliberalism pressures the poorest people in a society to find solutions to their lack of health care, education, and social security all by themselves in the name of reducing government's role.

Pham 09, Vincent Q. Pham [Senior, University of Washington Honors Program]. 2013 Injecting Racist Hysteria: How Media Coverage of the 2009 H1N1 (Swine Flu) Virus Raises Questions about Border Security, NAFTA, and Mexican Representation in U.S Culture. [//ja](http://scalar.usc.edu/works/injecting-racist-hysteria-how-media-coverage-of-the-2009-h1n1-swine-flu-virus-raises-questions-about-border-security-nafta-and-mexican-representation-in-us-culture-/index)

Neoliberalism is a set of policies that focus on privatization, **deregulation**, and the advancement of the so-called "free market" over the public sector. **This** emphasis on free trade **is the core principle of NAFTA**. However, **because of the ideology of** free trade and **deregulation**, **"The border is a low wage haven, a magnet for transnational corporations looking for a cheap, non-union workforce;** it is also a magnet for people throughout Mexico who can no longer survive on the land or in their former jobs. It's a sprawling polluters' paradise, where toxic muck flows through neighborhoods and into streams and rivers" (7) **In the aftermath of NAFTA's** establishment, many **U.S corporations seeking laxer standards and cheaper labor pushed into Mexico and began their operations there without the same sense of accountability**. This situation becomes especially problematic given the values of neoliberalism. As Bigelow argues, "A key aspect of this [neoliberalism] is eliminating the concept of the "the public good" and replacing it with "individual responsibility" (20) **Neoliberalism pressures the poorest people in a society to find solutions to their lack of health care, education, and social security all by themselves in the name of reducing government's role**- then, if they fail, labeling them "lazy" in a racialized manner, an image that media are complicit in portraying about the poor.

Economic Shocks

Increased Mexican dependency made the country much worse off in the recession

Zepeda 09 Eduardo Zepeda [senior associate in the Trade, Equity, and Development Program at the Carnegie Endowment], 12-2009, "Rethinking Trade Policy for Development: Lessons From Mexico Under NAFTA," Carnegie Endowment for International Peace,

http://carnegieendowment.org/files/nafta_trade_development.pdf //DF

Government dependence on oil revenues drains investment and exploration funds from Pemex, undermining its capacity to continue producing and refining oil, and providing funds in the future to finance public expenditures. Estimates suggest that at current levels of exploration, Mexico has only nine more years of proven reserves.²⁷ Low levels of investment and productivity, in turn, feed calls to privatize the company.

Mexico is also now excessively dependent on the United States as an export market, with more than 85 percent of Mexican exports going to the United States, up from 70 percent in 1990.²⁸ This leaves the country more vulnerable than ever to downturns in the U.S. economy. For this reason, the current recession is hitting Mexico harder than any other country in Latin America. Through October 2009, the Mexican economy has shrunk

by about 7 percent. Finally, many Mexicans depend on remittances from family members in the United States. These have proven to be an important and consistently growing source of foreign exchange, jumping six-fold from pre-NAFTA levels to \$24 billion in 2007, an amount greater than FDI.²⁹ Remittances have already declined during the current recession, as U.S. employment in construction and other industries dependent on migrant labor weakens. This has important implications for families who have come to rely on remittances, as some of their members have chosen to migrate, and for the economy, as it reduces foreign exchange flows into the country.

https://www.iatp.org/files/NAFTA_and_the_Peso_Collapse_Not_Just_a_Coincid.pdf

The importance of devaluing the peso can be seen by comparing the impact of devaluation to the small tariff reductions in NAFTA. The U.S. International Trade Commission (1991, 2-2) calculated that the average tariffs in effect at the start of the NAFTA negotiations were about 3.4% for U.S. imports and 10% for Mexican imports. In contrast, the peso appreciated by over 75% in real terms from 1987 to 1994 and then fell by about 50% from 1994 to 1995. Thus, none of the tariff reductions in NAFTA could have made much of a difference if the peso stayed as high as it was in 1993-94. In order for NAFTA to promote Mexican exports as intended, a significant devaluation of the peso was unavoidable

Environment

20k deaths from outdoor air pollution

"Mexico Perspective: Air Pollution," Copenhagen Consensus Center,

<http://www.copenhagenconsensus.com/publication/mexico-perspective-air-pollution> //DF

According to the World Bank, air pollution kills nearly 33,000 Mexicans every year. Nearly 20,000 of these deaths are due to outdoor air pollution, mainly in towns and cities. The remaining 13,000 are from household air pollution, caused by cooking with wood and other solid fuels. This affects mainly rural communities. In both cities and countryside, the cause is the same:

tiny particles in smoke which we breathe in and which can lead to chronic lung disease and acute respiratory infections, lung cancer, heart disease and strokes. This does not just affect Latin America, but is a global problem causing over 6 million deaths worldwide each year.

Gallagher 09 Kevin P. Gallagher [Professor of Global Development Policy; Director, Global Development Policy Center, Boston University], 11-2009, " The Future of North American Trade Policy: Lessons From NAFTA,," Pardee Center Task Force Report, Boston University,
<http://www.ase.tufts.edu/gdae/Pubs/rp/PardeeNAFTACH6GallagherEnvNov09.pdf> //DF

Unfortunately, these gains are exceptions rather than the rule. According to Mexican government figures, the economic costs of environmental degradation have continued to average 10 percent of GDP since NAFTA.³ Hazardous waste and air pollution are on the rise. Eight million tons of hazardous waste are generated in Mexico each year, but Mexico can only absorb one million tons per year. This has led to a large pile-up of hazardous waste, and to illegal waste trade as well.⁴ Biological and genetic diversity have become increasingly threatened under NAFTA from import floods and bio-prospecting. The expansion of export-oriented industrial agriculture has had high environmental costs in the form of unsustainable water use, loading of nitrogen and other agro-chemicals.⁵ Mexico's poor environment record has been due to the Mexican government's lack of commitment to environmental protection in the post-NAFTA period. Indeed, real spending and inspection levels have all declined since NAFTA took effect.⁶ A consistent theme throughout this report is that NAFTA goes too far in regulating government authority. In the case of Mexico, NAFTA's investment rules made it difficult for Mexico to maintain a hazardous waste site. Finally, NAFTA's environmental side agreement and related institutions lack the authority to deal with these and other problems. In addition, they have been under-funded, relegating them to the role of interesting pilot projects rather than comprehensive tri-national mechanisms to address environmental issues.

The environmental institutions set up after NAFTA were too limited and poorly funded to prevent environmental degradation

Gallagher 04 Kevin P. Gallagher [Boston University], 9-17-2004, " Free Trade and the Environment: Mexico, NAFTA, and Beyond," Free Trade and the Environment: Mexico, NAFTA, and Beyond,
<http://www.ase.tufts.edu/gdae/Pubs/rp/NAFTAEnviroKGAmerProgSep04.pdf> //DF

The environmental "side" institutions created by NAFTA set some important precedents, but were not equipped to address these problems. At most, Mexico receives only one-third of the \$9 million annual budget of the North American Commission for Environmental Cooperation (NACEC). NACEC has been effective in carrying out its limited mandate, enabling citizen groups to monitor environmental progress and convening cross-national information sharing and research efforts in North America. But its \$3 million budget is dwarfed by Mexico's budget shortfalls and buried by the \$36 billion price tag of environmental degradation. Environmental Lessons From NAFTA There is no evidence that pollution has begun to decrease now that Mexico has passed the theoretical turning point of \$5,000 per capita. Nor have other environmental indicators begun to show improvement. This study also suggests that fears that NAFTA would create a pollution haven for dirty industry in Mexico were not justified overall, though the firms that have moved to Mexico have not always followed environmental best practice.

Mexico's small increases in growth have not at all made up for massive environmental degradation

Gallagher 04 Kevin P. Gallagher [Boston University], 9-17-2004, " Free Trade and the Environment: Mexico, NAFTA, and Beyond," Free Trade and the Environment: Mexico, NAFTA, and Beyond,
<http://www.ase.tufts.edu/gdae/Pubs/rp/NAFTAEnviroKGAmerProgSep04.pdf> //DF

Economists hypothesized that environmental improvement beyond the "turning point" happened for three reasons. First are so-called scale effects: increases in growth correspond with increases in pollution. However, scale effects can be offset by what are called composition and technique effects. Composition effects occur when economies shift toward services and other less pollution-intensive economic activities. Finally, technique effects occur when increasing income eventually leads to higher levels of

environmental awareness, which translates into more stringent environmental policies as the growing middle class demands a cleaner environment. Early EKC studies suggested the “turning point” at which economies would begin to get less pollution-intensive was a per capita income of approximately \$5,000. This led to the policy prescription now heard in many negotiating rooms: that the environment can wait, since economic growth will eventually (and naturally) result in environmental improvement. More recent studies, however, have called into question both the specific findings and the broad generalizations from these early EKC studies. Mexico reached \$5,000 GDP per capita in 1985 (in PPP terms), precisely the year it began opening its economy. The data suggest, however, that subsequent rises in income have been small and environmental degradation has been large. Statistics from Mexico’s National Institute for Statistics, Geography, and Information Systems (INEGI) document how environmental degradation has overwhelmed any benefits from trade-led economic growth. First, since 1985 real incomes have grown at just 2.5% per year, and less than one percent per capita. Second, according to INEGI, major environmental problems have worsened since trade liberalization began in Mexico. Despite the fact that Mexico reached levels of income beyond the range of a predicted EKC turning point, national levels of soil erosion, municipal solid waste, and urban air and water pollution all worsened from 1985 to 1999. Rural soil erosion grew by 89%, municipal solid waste by 108%, water pollution by 29%, and urban air pollution by 97%. The results have been costly to Mexico’s prospects for development. The INEGI studies estimate the financial costs of this environmental degradation at 10% of GDP from 1988 to 1999, an average of \$36 billion of damage each year (\$47 billion for 1999). The destruction overwhelms the value of economic growth, which has been just 2.5% annually, or \$14 billion per year

Organized Crime

Michael Lauderdale of UT Austin explains in 2012 that:

Michael Lauderdale, UT Austin, 2012, Free Trade and Cartels, <https://sites.utexas.edu/failedstate/2012/05/05/free-trade/> (NK) Smuggling is a game of probabilities and subterfuge. Smugglers spread the product across several carriers and time crossings when detection is most unlikely. Ideally it is placed with persons and vehicles to avoid drawing attention. Open, empty areas along the border are ready targets for sophisticated detection. Small towns betray unusual and heavy traffic. It works best in conditions of high normal traffic and Nuevo Laredo-Laredo is ideal. Other crossings have a fraction of the volume of traffic. Remote areas are readily observed by American authorities using technology. **The evolving Cartel business strategy is to move contraband in the flow of legit goods and the higher the traffic area, the more the appeal for the Cartels.** For these and likely other reasons, **as a result cities such as] Nuevo Laredo [have] has become a prize fought over by the Cartels.** In the past the Gulf and Sinaloa have contested the Zetas for the control of Nuevo Laredo. The Zetas have proven the stronger. There are other contest points among the Cartels including Veracruz, Monterrey, Guadalajara, Juárez, Acapulco, etc. Reports by Dudley Althaus and Dane Schiller on the Nuevo Laredo violence suggest pieces are moving into play on the chessboard to contest the control of this greatest prize of the plazas. The **[committing] murders** three weeks ago in Nuevo Laredo and then with 23 on Friday, May 4, 2012 are signs of gang warfare, Cartel warfare to control that plaza. The **hanging of 9 bodies from bridges** is a **[are common] Cartel tactic[s] [used to centralize power]**, psychological warfare with warning declarations to other Cartels Perhaps members of the Mexican Cartels suspect that the PRI will secure the Mexican Presidency and revert to the concession arrangements of the past. Thus Laredo becomes the most valuable prize and one to be secured this year. Whoever is dominant there is in the best position to seal the deal with the PRI, if it wins the election and reverts to its patterns of old.

Chihuahua Secretary of Social Development, Victor Quintana explains in 2014 that:

Quintana 14, Victor M. “How NAFTA Unleashed the Violence in Mexico.” América Latina En Movimiento, 27 Feb. 2014, www.alainet.org/fr/node/83545. Victor Manuel Quintana Silveyra is a Mexican politician and academic. He has twice been Deputy to the Congress of Chihuahua , Federal Deputy and Delegate in Gustavo A. Madero in the Federal District . From the 4 of October of 2016 is Secretary of Social Development of the state government of Chihuahua. //ja

In spite of many warnings from farmer organization and researchers, **NAFTA was signed when Mexican basic grains producers**, especially peasants and medium-sized producers, **could not compete**—in terms of climatic conditions or subsidies or technology or governmental support program—with the most powerful agriculture

in the world. Without being able to compete **with U.S. agriculture under** the terms of the **[free] trade** opening, **[H]undreds of thousands of** peasant **[agriculture] groups went broke**. Migration to the cities and the United States shot up. According to the Ministry of Labor, since 1994 [as] 1,780,000 people left the countryside. The Ministry of Social Development found that each day an average of 600 peasant farmers leave the countryside. Rural communities are being left without young men, converted into populations of women, children and old people. Community life has broken down; many town organizations have closed down. This is violence. Silent, but real.

Unable to compete with the US, Mexican farmers were forced to strip local resources and adopt unsustainable farming practices, as Quintana concludes that:

Quintana 14, Victor M. "How NAFTA Unleashed the Violence in Mexico." América Latina En Movimiento, 27 Feb. 2014, www.alainet.org/fr/node/83545. Victor Manuel Quintana Silveyra is a Mexican politician and academic. He has twice been Deputy to the Congress of Chihuahua, Federal Deputy and Delegate in Gustavo A. Madero in the Federal District. From the 4 of October of 2016 is Secretary of Social Development of the state government of Chihuahua. //ja

With expensive input costs and low prices for crops, many farmers had to drill deeper wells for irrigation, overuse agrochemicals or turn to genetically modified seed to increase production.

They began to employ technologies that are forms of violence against the environment and its soils, waters, forests and fields. As a consequence, **environmental disaster scars the countryside, with unavoidable** and expensive **impacts in** the cities and for national **economic development. Of Mexico's 196 million hectares, 64% has been degraded**, mainly **by** water and wind **erosion. Annually** some **10,000 hectares of the best agricultural land is lost** due to salt accumulation. This problem affects a surface area of 425,000 hectares that have ceased to be fertile for intensive agricultural production. **Aquifers have been over-exploited, forests** that generated water for the country's rivers and streams **have been razed. Faced with the urgency of lowering costs to compete against imported goods, the solution was over-exploitation** of the one who couldn't protest—nature. **Violence against the environment is a** **byproduct of NAFTA** and the structural adjustment policies.

DTOs took advantage of this degradation in order to gain power. Quintana finds:

Quintana 14, Victor M. "How NAFTA Unleashed the Violence in Mexico." América Latina En Movimiento, 27 Feb. 2014, www.alainet.org/fr/node/83545. Victor Manuel Quintana Silveyra is a Mexican politician and academic. He has twice been Deputy to the Congress of Chihuahua, Federal Deputy and Delegate in Gustavo A. Madero in the Federal District. From the 4 of October of 2016 is Secretary of Social Development of the state government of Chihuahua. //ja

In this deteriorating rural environment, organized crime moved in strong in the 1990s. **Cartels occupied the vacuum** left by the State when it withdrew government programs that served as financier, buyer, investor, regulator, and promoter of the rural economy. The **drug lords establish themselves in rural populations** in many ways. **They buy property** from those who have gone bankrupt to **inject resources** and launder money, expand their ranches, add technology to their businesses, drill wells, **improve livestock**, plant orchards **and build infrastructure for production. When development** and commercial banks **abandoned agricultural activities, organized crime took over financing** and lending. They also began to market produce. They didn't need usurious credit from stingy and speculating banks—they financed themselves to buy harvests, storage facilities and distribution systems. **This** was a **silent invasion** that little by little **evolved into the current situation**. Once in possession of a good part of the rural economy, **organized crime took over other aspects of rural life**. It illegally exploits natural resources such as the case of the forests of Michoacán and Chihuahua. It has diversified its business beyond drugs, stealing machinery and equipment, robbing the wages of day laborers on pay day, requiring extortion payments from farmers and salespeople, requiring a portion of the sale of the harvests.

First, increased traffic. Cameron McKibben from the Council on Hemispheric Affairs reports in 2015 that:

McKibben 15, Cameron. "NAFTA and Drug Trafficking: Perpetuating Violence and the Illicit Supply Chain." COHA, Council on Hemispheric Affairs, 20 Mar. 2015, www.coha.org/nafta-and-drug-trafficking-perpetuating-violence-and-the-illicit-supply-chain/. McKibben is a COHA Research Associate, with editorial assistance provided by Gonzalo Escobedo, COHA Guest Scholar and Lecturer of Political Science and International Relations at the Iberoamericana University in Mexico City. //ja

In 2013, about 350,000 loaded truck containers, 442,000 loaded rail containers, over 1.2 billion personal vehicle passengers, and more than 41 million pedestrians crossed the U.S.-Mexican border.[vi] **Exports from Mexico** to the United States **increased** from \$51.6 billion USD to \$280.5 billion USD **between 1994 and 2013 [by]** an increase of **444%**. [vii] **Whether by train, truck, or foot, the** amount of **traffic crossing the border** has **increased exponentially since NAFTA** came into force on January 1, 1994. **[Thus,] It is not surprising that the flow of drugs has also increased**. As of 2003, only 12.1 percent of all containers entering the United States nationwide were actually inspected.[viii] While an impressive number of containers are being searched, **given the amount of total trade across the border, there remains ample opportunity for** the **smuggling of illicit materials. Despite the successes of NAFTA in increasing U.S.-Mexican trade, its failures have ultimately exacerbated the drug trade** today. This further emphasizes the ambiguity in the relationship between the state and the DTOs. Even though state policies threaten the existence of DTOs, these organizations cannot survive without state support. Andreas labels this as a paradoxical "state-smuggler"

relationship.[ix] **NAFTA has manifested as state action inadvertently supporting the [drug trafficking organizations or DTOs.]** DTOs.

Thus, McKibben found that:

McKibben 15, Cameron. "NAFTA and Drug Trafficking: Perpetuating Violence and the Illicit Supply Chain." COHA, Council on Hemispheric Affairs, 20 Mar. 2015, www.coha.org/nafta-and-drug-trafficking-perpetuating-violence-and-the-illicit-supply-chain/. McKibben is a COHA Research Associate, with editorial assistance provided by Gonzalo Escribano, COHA Guest Scholar and Lecturer of Political Science and International Relations at the Iberoamericana University in Mexico City. //ja Despite U.S. and Mexican strategies targeting both the demand for, and supply of drugs smuggled over their shared border, the levels of both drug supply and demand continue to rise.

Washington's post-9/11 **policies have intended to harden the border by increasing funding** and technology, **but by increasing** the amount of **cross-border trade, NAFTA inadvertently reduced transaction costs and potential risks for the DTOs. The[ir] economic success** that DTOs have acquired largely **stems from their ability to supply to U.S. domestic drug demand,** but their operations do extend worldwide. Mexican DTOs have access to cheap cocaine, with a kilogram priced as low as \$2,200 USD in Colombia or \$10,000 USD in Central America, which they are able to sell at around \$27,000 USD in the United States, over \$50,000 USD in Europe, and as much as \$200,000 USD in Australia .

As a result of Mexican Farmers being priced out and losing their jobs, many moved to the industrial north looking for work. While parents worked in the factories, their kids were left isolated and vulnerable to cartel recruitment. In Fact, the cartels thrived with a wave of new recruits, as border cities such as Juarez had spikes in gang warfare and murders.

Kate Linthicum, 2-17-2017, "A tale of two cities: What happened when factory jobs moved from Warren, Ohio, to Juarez, Mexico," *latimes*, <http://www.latimes.com/world/mexico-americas/la-fg-mexico-us-factories-20170217-htmstory.html> (NK)

"Why study if you're just going to work and have babies?" her mother told her. Sure enough, by the time she was 17 she had a son, the first of her five children. For centuries, people in Bermejillo made their living in the fields, and Lopez had little reason to think she would be any different. But **NAFTA made things hard on small Mexican farmers, who found themselves competing with imports from giant U.S. agribusinesses, many of which received healthy subsidies from the U.S. government.** In places like Bermejillo, **a generation of young people were suddenly out of work,** and **many** headed north to the U.S. Others **went to frontier towns such as Juarez.** As NAFTA took effect, Juarez was transformed overnight from a desert oasis best known for its nightclubs and casinos into a sprawling grid of concrete industrial buildings intersected by dirt roads. The population grew faster than officials could build highways, schools and other infrastructure. Migration to cities like Juarez also marked a cultural shift. **Parents worked all day, and without extended family to look after them, children often found themselves alone. Drug cartels, whose power was growing, found easy recruits. As the city erupted into gang warfare, murders spiked, along with suicides and violence against women.** Lopez had been working in a cafe for \$5 a week when a truck driver passing through town told her about new factory jobs up north. She arrived in Juarez in 1996 with her husband and five children. Her eldest son, then 16, who had not been able to find work in Durango, immediately found a job at a *maquiladora*, as they call the U.S. factories that had begun to proliferate along the Mexican side of the border. So did Lopez, at Delphi, where on her first day she was so nervous she offered to clean the bathrooms instead of working on the floor.