

Ten Years of NAFTA = Migration Plus¹

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Migration of highly skilled workers and professionals between Mexico, the U.S. and Canada increased with NAFTA.

The North American Free Trade Agreement (NAFTA) is the most ambitious trade agreement ever signed by Mexico. Ten years after its coming into effect, our country has become the United States' third most important partner and Canada's fifth. This has resulted in broad regional economic interaction among many sectors, greater dynamism in foreign investment and myriad trade transactions that have led to diverse businesses being opened, a growing number of students, academics, businessmen and closer trilateral

inter-parliamentary and intergovernmental communication.

As is well known, NAFTA has no provisions to allow immigration among the three signatories despite Mexico's negotiators' having exerted strong pressure to include articles about the free movement of persons across borders. After a time, they opted not to keep pressing because of the high risk that the treaty might not be approved given the Americans' reservations. Countering this, it was argued that one of the benefits of NAFTA's approval would be that the dynamic exchange of goods would foster greater economic development in North Amer-

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TABLE I
NON-IMMIGRANT WORKERS ADMITTED TO THE U.S. BY CATEGORY IN NORTH AMERICA (1996-2003)

CATEGORIES	H1-B	H2-A	H2-B	O	P	Q	R	NAFTA	TOTAL*	PERCENT OF TOTAL ADMISSIONS
TOTALS										
1996	144,458	9,635	14,345	9,289	35,573	2,056	8,992	26,987	251,335	100
1998	240,947	27,308	24,895	15,023	46,988	1,921	10,863	59,061	427,006	100
1999	302,326	32,372	35,815	19,194	48,471	2,485	12,689	68,354	521,706	100
2000	355,605	33,292	51,462	25,373	56,377	2,726	15,342	91,279	631,456	100
2001	384,191	27,695	72,387	29,519	55,791	2,388	17,122	95,486	684,579	100
2002	370,490	15,628	86,987	29,164	54,694	2,221	19,115	73,699	651,998	100
2003	360,498	14,094	102,833	30,862	56,041	2,738	20,272	59,440	646,778	100
CANADA										
1996	4,192	127	1,738	688	2,900	49	595	26,794	37,083	14.75
1998	7,595	760	4,293	1,067	4,753	89	1,070	58,469	78,096	18.28
1999	10,235	766	3,946	1,188	5,580	65	1,264	67,076	90,120	17.27
2000	12,929	747	4,741	1,601	5,718	74	1,424	89,220	116,454	18.44
2001	16,454	524	5,593	1,619	5,913	91	1,439	92,915	124,548	18.19
2002	19,866	286	5,241	1,767	5,598	91	1,470	71,878	106,197	16.28
2003	20,947	362	4,851	1,826	5,873	83	1,462	58,177	93,581	14.46
MEXICO										
1996	5,273	8,833	5,539	236	5,831	98	512	193	26,515	10.54
1998	10,079	21,594	10,727	348	7,268	116	796	592	51,520	12.06
1999	12,257	26,069	18,927	561	8,731	120	907	1,278	68,850	13.19
2000	13,507	27,172	27,755	750	10,385	132	1,147	2,059	82,907	13.12
2001	14,423	21,569	41,852	881	10,508	139	1,377	2,571	93,320	13.63
2002	15,867	12,846	52,972	851	10,237	107	1,667	1,821	96,368	14.78
2003	16,290	9,924	65,878	1,472	10,375	123	1,717	1,269	107,048	16.55
* Totals include only the categories analyzed.										
Source: Immigration and Naturalization Service (INS), Annual reports, Statistical Yearbook, years: 1999, 2001, 2002 and 2003. Temporary Admissions, Non-immigrants.										

ica, creating a significant number of jobs and, as a result, reducing the pressures to emigrate North.

As an incentive to trade, investment and transfers between companies, avoiding the need to certify or validate a job, temporary moves of professionals and their spouses and children were allowed. Based on the bilateral Free Trade Agree-

ment signed by the United States and Canada in 1989, NAFTA established four types of persons to whom a non-immigrant (Trade NAFTA or TN) visa would be granted in North America: business visitors, merchants and investors, people transferred between companies and about 70 classifications of professionals.

LABOR MOBILITY IN NORTH AMERICA THE U.S. CASE

An important number of foreign temporary workers were hired in the U.S. labor market because of the 1990s sustained economic growth. From 1996 to 2003, hirings of foreigners practically tripled, soaring from 221,000 to

650,126. Mexico is one of the countries that benefits from work visas issued to cover jobs that U.S. citizens supposedly do not want. Though in 1996, 32,468 Mexican temporary workers entered the United States under different categories, representing 10 percent of total admissions, by 2003 these hirings had quadrupled, reaching 112,779, or 17 percent of all work visas.

It is well known that most Mexicans, with or without a work visa, are employed in jobs requiring little training. In 2003, 9,924 (9 percent) obtained H2-A visas as agricultural workers, while 65,878 (61 percent) were given H2-B visas, given to low-skilled, non-agricultural workers. Only 16,290 people (15 percent) received H1-B visas for highly skilled workers. Twelve percent (artists, athletes, religious and/or workers with special skills) qualified for O, P, Q or R visas; and the ridiculous sum of 1,269 people (1 percent) were given TN visas for professionals based on NAFTA.

It is important to stress that three significant changes occurred from 1996 to 2003: a) a drop in hiring of Mexican agricultural workers (decreasing from 90 percent to 70 percent of total admissions for this category, perhaps due to the tedious, complicated bureaucratic red tape that U.S. farmers must plow through to justify the lack of local workers to take specific jobs, they prefer to hire undocumented workers); b) an increase in the hiring of H2-B workers, who expanded in this period from 5,539 to 65,878 as a direct response to the demand for unskilled workers for fast-growing sectors like construction and the service industry that the U.S. economy needs to maintain its competitiveness nationally and internationally; and c) a 300-percent

increase (from 5,273 to 16,290) in visas issued for highly skilled Mexican workers (H1-B), indicating a brain drain (see table 1).

Over the 10 years since NAFTA came into effect, the number of TN visas given to Mexicans in the United States was ridiculously low and disproportionate *vis-à-vis* those given to Canadians (98 percent of the 59,440 TN visas issued in the U.S. in 2003.² Regardless of the fact that until 2004 there was a cap of 5,500 visas for Mexicans, they have not been as successful as the Americans feared: some years, not even half of that number were requested. The reasons proffered have been the lack of dissemination by Mexican authorities, ambivalent because they believe that they promote a “brain drain,” or because of the difficulties professionals themselves encounter in actually getting this kind of visa, which has made them prefer requesting the H1-B.³ In contrast, it has been easier for Canadians to get a TN visa into the United States since they obtain them in their own country at their point of exit and no limits are established.

During the 1990s, the U.S. demand for both low-skilled and highly skilled workers was clear. To get an idea of its size, suffice it to say that between 1994 and 2003, 580,987 visas for Mexican temporary workers were issued (half of them in the last three years), most of them for low-skilled jobs. Also, 1,506,504 Mexicans (18 percent of all admissions between 1994 and 2003) entered the U.S. as immigrants, 30 percent of whom did so in the last three years.⁴ In this same period, 1,271,136 Mexicans were naturalized, an unprecedented figure that shows that the Non-Loss of Nationality Law is an

incentive for legal U.S. residents to have more interest in belonging to their new country and obtaining the rights they deserve as U.S. citizens (see table 2).

This explains why the Mexican community in the U.S., estimated at about 25 million people, has increased every year. This figure represents about 23 percent of Mexico’s population and 65 percent of the Hispanic community in the United States. Approximately 10 million people born in Mexico are thought to be living in the United States; that comes to almost one-third of the 34 million documented and undocumented immigrants.⁵ This means that Mexico is the United States’ most important source of both documented and undocumented migrants.

The issue of undocumented migrants in the United States —highly divisive but a priority— must be dealt with because it will continue to be part of the bilateral agenda for many years. According to 2003 figures, about 10 million undocumented migrants live in the United States; of these, 5.5 million were born in Mexico. While in the 1980s the annual net flow of migrants who stayed in the United States was 65,000, today the figure is believed to be about 430,000 undocumented migrants.⁶

This increase will probably lead to more virulent anti-immigrant attitudes and the emergence of proposals like Arizona’s Proposition 200 which forces everyone to demonstrate their legal migratory status to get access to health and educational services, among others. This proposition passed during the 2004 balloting, although it still is not being implemented because it is considered unconstitutional.⁷ It will be

no surprise if bills of this kind spring up in other states and have an impact on the national debate, particularly in Congress, as Proposition 187 did 10 years ago in the passing of IIRIRA in 1996.

THE CASE OF CANADA

More than 90 percent of Canadian migration to the United States is made up of highly skilled workers. Of the temporary foreign workers hired in Canada's labor market in 2002, 36 percent of the 87,910 came from North America: 20,302 from the U.S. and 11,393 from Mexico. These two groups occupied first and second place in total admissions (see table 3).

Most Mexican migration to Canada is a result of the Program of Mexican Temporary Agricultural Workers with Canada. This program began in 1974 with 203 workers. Thirty years

later, about 11,000 Mexicans labor in the fields of Quebec and Ontario. Despite an increase in undocumented immigrants in Canada, very few are Mexican.

In 2001, 8,337 TN visas (based on NAFTA) were issued to professionals to enter Canada, mainly from the U.S. Only 101 (1.2 percent) were given to Mexicans, which is why reassessing access to this document on a trilateral level is urgent.

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THE CASE OF MEXICO

The 2000 census recorded 492,617 foreign residents in Mexico, 70 percent of whom come from the United States.⁸ The number of entries of different kinds of visitors to Mexico between 1995 and 2003 increased 160 percent. However, the number of people from North America who entered the country for business reasons increased five-fold, bringing the total to half a million in 2003, indicating the great amount of trade and international business during the period. In 2002, 53,286 Americans entered the Mexican labor market with TN visas, compared to the 1,289 Mexicans who were issued this kind of visa to work in the United States, a serious disproportion.

The significant increase in trade transactions between Mexico and its partners since NAFTA came into effect

TABLE 2
ADMISSIONS OF IMMIGRANTS AND NATURALIZED CITIZENS INTO THE U.S. FROM NORTH AMERICA (1994-2003)

YEAR	TOTALS		NORTH AMERICA		CANADA		MEXICO	
	IMMIGRANTS	NATURALIZED	IMMIGRANTS	NATURALIZED	IMMIGRANTS	NATURALIZED	IMMIGRANTS	NATURALIZED
1994	804,416	434,107	272,226	130,345	16,068	8,684	111,398	46,169
1995	720,461	488,088	231,526	175,216	12,932	7,597	89,932	81,655
1996	915,900	1,044,689	340,540	506,767	15,825	11,663	163,572	254,988
1997	798,378	598,225	307,488	273,954	11,609	6,639	146,865	142,569
1998	654,451	463,060	252,996	208,192	10,190	5,545	131,575	112,442
1999	646,568	839,944	271,365	385,605	8,864	9,353	147,573	207,750
2000	849,807	888,788	344,805	347,193	16,210	11,365	173,919	189,705
2001	1,064,318	608,205	407,888	200,939	21,933	7,551	206,426	103,234
2002	1,063,732	573,708	404,437	169,950	19,519	7,591	219,380	76,531
2003	705,827	463,204	250,726	130,848	11,446	6,408	115,864	56,093

Source: Yearbook of Immigration and Statistics, 2003. www.immigration.gov

TABLE 3
ADMISSION OF FOREIGN WORKERS INTO CANADA BY PLACE OF ORIGIN (1998-2002)

COUNTRY OF ORIGIN	1998			1999			2000			2001			2002		
	NO.	%	RANK	NO.	%	RANK	NO.	%	RANK	NO.	%	RANK	NO.	%	RANK
U.S.	24,851	31.5	1	24,592	29.18	1	26,969	29.54	1	24,417	25.55	1	20,302	23.09	1
Mexico	6,949	8.81	2	8,052	9.55	2	9,858	10.80	2	11,191	11.71	2	11,393	12.96	2
United Kingdom	5,307	6.73	3	6,278	7.45	3	6,702	7.34	3	7,253	7.59	3	6,316	7.18	3
Jamaica	5,120	6.49	4	5,484	6.51	4	5,400	5.91	4	5,798	6.07	4	5,519	6.28	5
France	4,232	5.36	6	4,701	5.58	6	5,311	5.82	5	5,127	5.37	5	4,648	5.29	7
Japan	4,503	5.71	5	5,031	5.97	5	4,274	4.68	6	4,371	4.57	7	5,383	6.12	6
Australia	3,741	4.74	7	3,673	4.36	7	4,060	4.45	7	4,917	5.15	6	5,661	6.44	4
Germany	2,126	2.69	9	2,287	2.71	8	2,463	2.70	8	2,579	2.70	9	2,155	2.45	9
India	1,358	1.72	11	1,480	1.76	11	2,230	2.44	9	2,074	2.17	10	1,865	2.12	10
Philippines	2,222	2.82	8	2,160	2.56	9	2,177	2.38	10	4,104	4.29	8	4,615	5.25	8
Trinidad/Tobago	1,721	2.18	10	1,653	1.96	10	1,777	1.95	11	NA	NA		NA	NA	
Total of first 10	60,772	77.0		63,911	75.83		69,444	76.06		71,831	75.17		67,857	77.18	
Total other countries	18,128	22.9		20,365	24.17		21,867	23.94		23,724	24.83		20,053	22.82	
Total	78,900	100		84,276	100		91,311	100		95,555	100		87,910	100	

Source: Citizenship and Immigration Canada (2002), "Foreign workers", Facts and Figures 2000, 2002, 2003 at <http://www.cic.gc.ca/english/pub/facts2000-temp/facts-temp-4.html>.

(about 1.5 times vis-à-vis the United States and more than double vis-à-vis Canada), plus important capital flows in the form of foreign direct investment, were catalysts for the movement of professionals, mainly Americans, into the Mexican labor market. In 1994, only 289 Canadians and 3,801 Americans were hired under the auspices of NAFTA and in other ways. Nine years later, these hirings increased substantially, and since 56,945 U.S. professionals and 3,973 Canadians were working in Mexico. Simultaneously, growing foreign direct investment had an impact on the increase in professionals coming to work in Mexico: 10,678 merchants and investors and 4,099 people transferred between companies came mostly from the United States in 2003, a 400-percent increase vis-à-vis 1996 (see table 4).

Not only did NAFTA not reduce Mexican migration to the United States, but it increased it substantially, and labor mobility will probably continue on the same levels in the near future.

Mexico, both a migrant sending and receiving country, is facing the important problem of simultaneously being a stop-over on the road to the United States. Not only Central Americans, but also Europeans and Asians, enter our country without documentation. This is yet another factor in the already conflictive bilateral migratory relationship, a situation exacerbated since the 2001 terrorist attacks.

REFLECTIONS ABOUT TEN YEARS OF NAFTA

The important growth of exports and foreign investment in North America has been insufficient in Mexico to create the jobs needed, push wages up and reduce the pressure to emigrate to the United States as NAFTA negotiators had hoped.

We must recognize that the recurring, prolonged economic crises that we have experienced during the period analyzed, together with the complex readjustment processes in the Mexican economy have not benefited certain sectors like agriculture but rather have caused severe regional inequalities. Added to this are important wage differentials, which reach as high as 10 to one; the increasing dependence on remittances sent by our fellow Mex-

TABLE 4
ENTRY OF PROFESSIONALS FROM THE U.S. AND CANADA TO MEXICO (2001-2003)

	BUSINESS VISITORS	MERCHANTS AND INVESTORS	PROFESSIONALS	TRANSFER OF PERSONNEL	TOTAL
United States					
2001	221,839	7,342	46,335	1,401	276,917
2002	219,759	6,841	53,786	1,959	282,345
2003	213,413	8,823	56,945	3,352	282,533
Canada					
2001	17,136	2,333	3,890	696	24,055
2002	14,727	1,938	3,773	713	21,151
2003	15,101	1,855	3,973	747	21,676
Totals (U.S. and Canada)					
2001	238,975	9,675	50,225	2,097	300,972
2002	234,486	8,779	57,559	2,672	303,496
2003	228,514	10,678	60,918	4,099	304,209

Source: Secretaría de Gobernación, Instituto Nacional de Migración, statistics section, 2001, 2002, 2003. www.inami.gob.mx

icans (that in 2004 came to about U.S.\$15 billion); and the growing, deeply rooted, highly technical social networks. All of this leads us to conclude that not only did NAFTA not fulfill the expectation that it would reduce Mexican migration to the United States, but it increased it substantially, and labor mobility will probably continue on the same levels in the near future.

NAFTA created a space for greater formal and informal, documented and undocumented labor mobility than was expected. As trade partners, we must take responsibility for the direction we take in the near future. For that reason, it is relevant to ask ourselves what our next step after NAFTA will be. Is it feasible to renegotiate this treaty with the aim of turning it into a NAFTA-Plus and include the free transit of persons in the European mode? What benefits will

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the project on the Initiative for North America, currently under discussion, bring and, in the future, the one for the Americas?

The Ernesto Zedillo and Vicente Fox administrations have not used the NAFTA infrastructure to initiate a collateral treaty on labor mobility, knowing that this would imply negotiations in other areas, for example, energy (oil and electricity), which for some Mex-

icans are taboos because entering into them would be an attack on strongholds of national sovereignty. Similarly, a debate of this kind among different sectors of our neighbors' societies would raise important doubts that could involve more rigid proposals of migratory control.

For the time being, as always, the United States is leading the debate on the issue. George W. Bush's clear win at the polls gives him sufficient legitimacy to position himself on the political spectrum as he pleases in the short and long term. Given his campaign promises to the Hispanic community, it is possible that new windows of opportunity may open up to take the Bush Plan out of the freezer and send it to Congress. This proposal, first made in January 2004 and based on many bills pending approval in the U.S. Con-

gress, would create a three-year, renewable guest workers' program.⁹ Bush considers that this would contribute to solving the problem of undocumented migration and the trafficking in persons derived from it.

His victory lets us think about his convictions: the global forces of supply and demand are the main reason for the attraction of migrants who take the jobs that Americans generally do not want and that employers pay less than established wages for. If he sends his guest workers' bill to the new Congress with its Republican—and therefore more conservative—majority, it may encounter difficulties.

Conscious that the migratory accord proposed at the beginning of the Bush and Fox administrations in 2001, one week before the September 11 terrorist attacks, has been frozen,¹⁰ given the new circumstances for national security in the region, it is not very wise to continue to insist on “the whole enchilada.” Since September 11, we cannot continue to conceive of the negotiation of an integral migratory accord without including another about regional security, even though, de facto, certain bilateral measures have been established to ensure that our shared border not be used by international terrorists.¹¹ It would be more viable to bilaterally negotiate the different parts of the accord *ad hoc*, in a fragmented, incremental way, keeping in mind that in the long run a more ambitious regional project could be developed.

In this way, the Mexican government could negotiate several initiatives bilaterally and trilaterally. Given the infrastructure created by NAFTA, it is indispensable to analyze the possibility of increasing the number of TN visas so a greater number of Mexicans could

get them. Bilaterally, it would be desirable to increase the number of H2-A, H2-B and H1-B visas given to Mexicans. The creation of H4-A and H4-B visas would make it possible to temporarily hire undocumented foreigners in the United States for up to six years, with the possibility of obtaining permanent residency in a set-up similar to the bill proposed in 2003 by Arizona's Republican congresspersons McCain, Kolbe and Jeff Flake.

It would be ideal to establish a specific financial project for Mexico's general economic development and that of sending regions in particular, with the aim of reducing the pronounced inequalities between Mexico and its trade partners which, in some areas, have increased during the period we are analyzing. It would be interesting to study the possibility of setting up a trust or matching fund with the participation of migrants and the federal and local governments of Mexico and the United States, like the “Three-for-One Program.”¹² Another proposal to be considered is creating educational projects that include “hiring-education-training” for technical training of temporary migrants, with the aim of their returning to their forgotten places of origin to contribute to them for the benefit of a future community of North America. ■■■

NOTES

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² The number of TN visas issued reached its highest point in 2001, when 95,486 were given out to professionals (97 percent for Canadians) because of the important economic growth that occurred until the beginning of the millennium (see table 1).

³ Demetrios G. Papademetriou, “The Shifting Expectations of Free Trade and Migration,” Carnegie Endowment for International Peace, *NAFTA's Promises and Reality. Lessons from Mexico for the Hemisphere* (Washington, D.C.: Carnegie Endowment for International Peace, 2004), p. 42.

⁴ Most Mexicans who enter the U.S. as immigrants do so under the family reunification clause and not on the basis of a job.

⁵ “Immigrant Population at Record High in 2004,” at www.cis.org, November 2004.

⁶ Center for Strategic Studies, “Managing Mexican Migration to the United States: Recommendations for Policy Makers” (Washington, D.C.: CSIS-ITAM, April 2004).

⁷ The proposition also obligates members of the public to denounce undocumented immigrants to the authorities, turning ordinary citizens into identity vigilantes.

⁸ The 1990 census recorded 380,824 foreigners residing in Mexico; in 1970, 192,208; and in 1950, 106,015. Secretaría de Gobernación, “México como país de destino,” *Anexo 3 del Documento de Trabajo 3* (Mexico City: Consejo Consultivo, May 27, 2004).

⁹ The workers would get credit in their home nations' retirement system, and the program would support the creation of savings accounts that could be accessed when the workers return home.

¹⁰ The migratory accord included border security, the promotion of economic development in migrant-sending regions, an increase in the number of visas, regularizing undocumented migrants' status and the establishment of a guest workers' program. For more information, see Mónica Vereá, *Migración temporal en América Del Norte. Propuestas y respuestas* (Mexico City: CISAN-UNAM, 2003), p. 15.

¹¹ In 2002 the “Alliance for the Border” was signed, establishing cooperation to create “intelligent borders” to strengthen security in the region and facilitate the legal transit of individuals and goods. In February 2003 a memorandum of understanding was signed about the repatriation of undocumented Mexican citizens who would be returned to Mexico by U.S. authorities. Also, a joint communique was issued establishing the Border Security Plan for 2004, which ratifies and broadens out the Plan of Action for Border Security, signed by both governments in June 2001. See Santiago Creel Miranda, “La migración y la seguridad entre México y Estados Unidos,” *Foreign Affairs en Español* no. 2, vol. 4, April-June 2004, pp. 2-12.

¹² The “Three-for-One Program” is an initiative of the Mexican government in which for every dollar migrants send to be used in infrastructure and development of their places of origin, the Mexican government will contribute three dollars: one from the federal budget, another from state funds and the third from municipal coffers. [Editor's Note.]