

# Globalization in the Southwest: Beyond the Border

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By

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**Abstract:**

Starting in the 1970s the United States began to demonstrate an interest in expanding their economic market far beyond their national borders. This process soon got the name of Globalization. The North American Free Trade Agreement (NAFTA) is the third agreement the United States signed into effect. This free trade agreement liberalize trade between Canada, the United States, and Mexico. Before and after the negotiations much debate existed as to the potential success and the set backs of this agreement. To this date debate exists, however more evidence is available as to the success of this economic policy. In this paper, I explore the negative effects that Mexico has endured as a result of NAFTA. I examine the economic, public health, and environmental impacts of this agreement. Furthermore, I dive into a series of labor strikes that took place in the later part of 2015 and earlier part of 2016 around the Lexmark Maquiladora. I examine the reality that laborers in Ciudad Juarez, Mexico experience on a daily basis. I examine this case study through a post-colonial lens. Looking at the “left-over” entanglement from Colonialism. My goal in researching this topic is to analyze the potential effects that developing countries like Mexico, might face upon integrating their economy into the Global Market. More specifically what can a developing country suffer upon entering a free trade agreement with an industrialized, imperialist country like the United States.

**Key Terms:** North American Free Trade Agreement (NAFTA), Free Trade Agreement (FTA), trade liberalization, Ciudad Juarez, Mexico, Coloniality, modernity, maquiladora, sweatshops, and border

## Globalization in The Southwest: Beyond The Border

### Introduction

Berta Alicia Lopez is a 54 year-old Mexican woman, who is currently employed with Delphi, a U.S based automaker company that moved its production to Ciudad Juarez in Mexico. She along with thousands of other Mexicans have become the laborers and faces of companies like Delphi who moved their production to Mexico as a result of cheaper labor costs after the implementation of NAFTA. She is working for wages that average one dollar an hour.<sup>1</sup> Wages that have not helped Mexico deal with the high rates of people living in poverty. It is these situations that continue to exacerbate the worlds current state of coloniality. Colonialism as described by Alejandro A. Vallega, an alumni of the University of Oregon, Eugene, “is a world system centered-around the western modern rationalism, and the perpetuation of their underlying relations of power to date.”<sup>2</sup> According to Grosfoguel, a professor at the University of California, Berkeley, this system is not just a social or an economic system but it is a multiplicity of power hierarchies that continue to govern our present world system.<sup>3</sup> He argues that the world has moved from a state of global colonialism to a state of global coloniality. He claims that “one of the most powerful myths of the twentieth century was the notion that the elimination of colonial administrations amounted to the decolonization of the world. This led to the myth of a

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<sup>1</sup> "A tale of two cities: What happened when factory jobs moved from Warren, Ohio, to Juarez, Mexico." Los Angeles Times. Accessed May 04, 2017. <http://www.latimes.com/world/mexico-americas/la-fg-mexico-us-factories-20170217-htmlstory.html>.

<sup>2</sup> Vallega, Alejandro A. Decoloniality and Philosophy, from a Latin American Perspective. University of Oregon.

<sup>3</sup> Grosfoguel, Ramon. "Decolonizing Post-Colonial Studies and Paradigms of Political-Economy: Transmodernity, Decolonial Thinking, and Global Coloniality." Transmodernity, 2011. Accessed May 4, 2017.

‘postcolonial’ world.’”<sup>3</sup> The idea that colonialism is over took over the collective conscious of the world, or at least of the “developed” world. This led many historians and people alike, to believe that the inequalities that we read about in history books is a thing of the past. Today, economic policies to governmental laws are all treated as fair and post-colonial policies. The centuries long lasting effects of colonialism are now either completely ignored or attributed to something other than colonialism. However, as Grosfoguel argues, I will argue that the foundation to our current lives, is heavily founded on the ideas spread across the world during the age of colonialism. Below I will list the lasting effects of colonialism as listed by Grosfoguel in his paper. I will only list, however, the effects that I see fit for my paper. When the European “men” arrived they didn’t just bring with them an economic system, they brought a whole new way of organizing society. They established:

- 1) “a global racial/ethnic hierarchy that privileges European people over non-European people;
- 2) a media/informational hierarchy where the West has the control over the means of global media production and information technology while the non-West do not have the means to make their points of view enter the global media networks;
- 3) an ecological hierarchy where the Western conceptions of ‘nature’ (as an object that is a means towards an end) with its destruction of life (human and non-human) is privileged and considered superior over non-Western conceptions of the ‘ecology’ such as Pachamama, Tawhid, or Tao (ecology or cosmos as subject that is an end in itself), which considers in its rationality the reproduction of life;
- 4) a spatial hierarchy that privileges the urban over the rural with the consequent destruction of rural communities, peasants and agrarian production at the world scale.”<sup>3</sup>

The same way that the environment and the laborers (slaves, indentured servitude, etc.) were exploited during the years of colonization, today a very similar scenario has continued, but this time under the name of trade liberalization. Government corruption and collaboration by the people in power in developing countries is creating very similar situations in which laborers and the environment have to carry the weight of development and modernity. Within such analyses I strongly believe in the power of feminist ideas of intersectionality.<sup>3</sup> Through the lens of Environmental Justice we can see a global trend very similar to the national trend in the US in which people of color are disproportionately affected by environmental degradation. With the expansion of Free Trade Agreements (FTA), the heaviest environmental impact associated with development has been taken/pushed to the “third world countries.” The trend as from colonization remains the same, countries in which the majority of the population is white for the most part are developed countries, as for the Global South, countries in which the majority is non-white, they are labeled as developing. It is on these “developing countries” that the United States has chosen to focus their attention on. Until recently the US did not bother to pursue FTAs with European nations.

In this paper I will highlight how the new era of Globalization is a continual effect of colonialism. Globalization as it is studied today in academia is composed of many facets. In this paper I will focus on the economic policies that make up the new era of Globalization. I will particularly be focusing on the economic policy of neoliberalism, as it is inherent to many FTAs. I will furthermore zoom in on one specific FTA that is of great interest to me, The North American Free Trade Agreement (NAFTA). I decided to focus on this FTA because, apart from being the second FTA that the United States signed into effect, it is the one that continues to be

used as a template for more FTA with other countries around the world. I also focus my research on NAFTA, because it is located in the Southwest, an area of intense discussion in today's geopolitical sphere. Before I delve into my case study of a recent labor strike in Cd. Juarez, Mexico, I will first delve into the policies that both the US and Mexico signed that brought us to our current situation. As once mentioned by a great professor of mine, many countries in Latin America have figured out that if they get in bed with the big guy, many benefits can come their way. Mexico is no exception. In the following section I will introduce what started it all, and led to the rampant industrialization of the US/Mexican border.

### **The Border Industrialization Program (BIP)**

The industrialization of the Mexican border began in 1965 with the announcement of the Border Industrialization Program (BIP). The program went into effect two years after its announcement. Under this program the Mexican Government waived "its duties and regulations on the importation of machinery, equipment, and raw materials for these plants [production factories], as well as its restrictions on foreign capital, so long as the end products, mainly assemblies of U.S components, are exported."<sup>4</sup> Prior to implementing this program, "the Mexican Government instituted the National Border Program (Programa Nacional Fronterizo or PRONAF) to provide physical improvements needed for industrial and commercial development."<sup>4</sup> Under this program the roads were literally paved, factory buildings were

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<sup>4</sup> ERICSON, ANNA-STINA. "An Analysis of Mexico's Border Industrialization Program." *Monthly Labor Review* 93, no. 5 (1970): 33-40. <http://www.jstor.org/stable/41837984>.

constructed, cities along the border were cleaned up, industrial parks were built, etc...<sup>5</sup> This program opened the door for the future of liberalizing the economy of Mexico and joining an FTA with the United States.

The implementation of the BIP was a direct response to the demise of the “Bracero Program” by the U.S government in 1964. The “Bracero Program,” was a U.S initiative that “allowed Mexican agricultural workers (mostly migrating northbound from the interior of Mexico) to work legally in the U.S on a seasonal basis.”<sup>6</sup> This program attracted many desperate Mexicans to the border. With the end of the program in 1964, the Mexican government was forced to deal with an increasing unemployment rate along the border. The solution was allow foreign owned industries to move to the Mexican side of the border, and utilize Mexican labor for the production of goods for export back to the country of origin where the materials for production were brought from. “This is a concept whereby the Mexican government mostly allows the duty-free, temporary importation of raw materials, supplies, machinery and equipment, etc. as long as the product assembled or manufactured in Mexico is exported.”<sup>6</sup> The first few years following the implementation of this program attracted little industry from the United States. The first few maquiladoras, foreign-owned production factories, that did result in the initial years of this program was in the assembly of electronics. Such factories serve to produce electronics, auto parts, along other type of production. With the “global economic uncertainties of the 1970s - particularly high interest rates raising havoc on new infrastructure projects worldwide.” Mexico was negatively affected during this period. These conditions

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<sup>5</sup> Club, Sierra. "NAFTA's Impact on Mexico." (2014).

<sup>6</sup> "Maquiladora Industry History - Tijuana Maquiladoras - Tijuana Maquiladora History." Made In Mexico. Accessed December 10, 2016. <http://www.madeinmexicoinc.com/maquiladora-industry/a-brief-history/>.

devalued the Mexican peso, making Mexico now an attractive location for foreign investment. “In the early 1980’s, many U.S businesses were feeling the ‘squeeze’ from their Asian competitors and had decided that in order to remain in business, lower labor costs were necessary.”<sup>6</sup> These conditions, the debt of Mexico and the economic pressure from Asia, led to the substantial and steady increase in the maquiladora industries along the border. Although the industrialization of the Mexican/U.S. border did not start with NAFTA, it did continue to grow and change under the new rules of the FTA.<sup>6</sup>

### **North American Free Trade Agreement (NAFTA)**

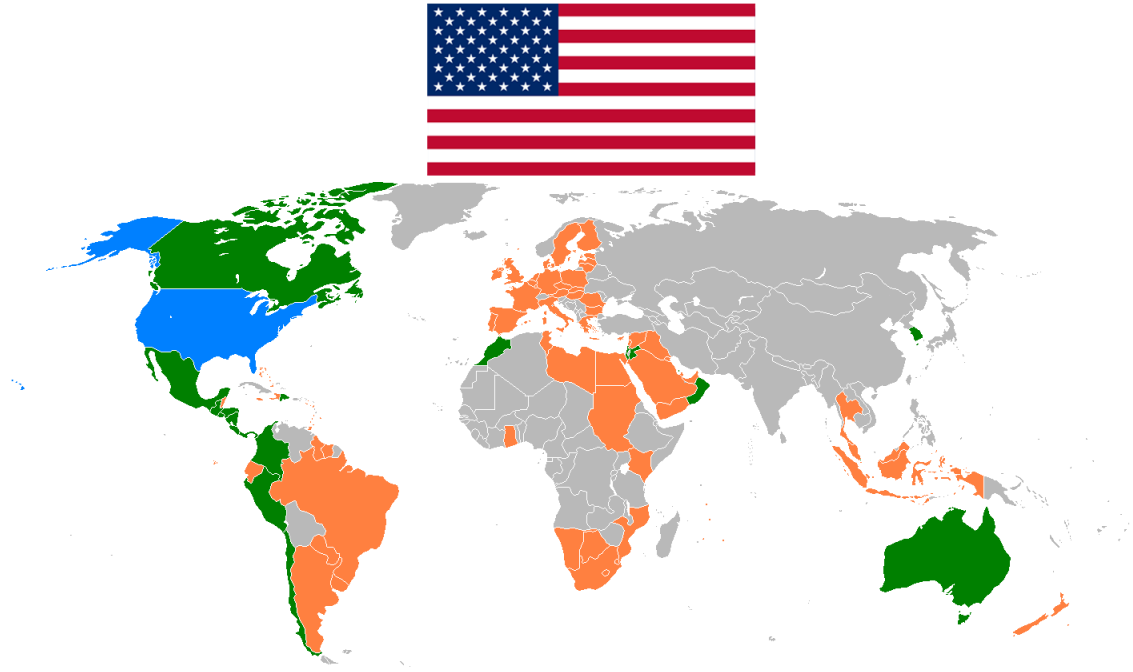
In a statement made on December 8, 1993, President Clinton talked about the benefits that will come from NAFTA. He highlighted four areas that will receive the most benefits. He claimed that they had “made a decision now, that will promote us to create an economic order in the world, that will promote more growth, more equality, better preservation of the environment, and a greater possibility of world peace.”<sup>7</sup> Before I delve into the outcomes that NAFTA has had in the areas that Clinton highlighted, I will give a brief history of the expansion of FTAs in the U.S.

Within 30 years the United States has expanded its free trade network from signing with Israel in 1986 to signing the Transpacific Partnership with 11 other countries in 2015. In figure one, on the next page, the map illustrates the expansion of FTAs. In blue is the United States.

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<sup>7</sup> How NAFTA Displaced Millions of Mexican Farmers. February 18, 2016. Accessed May 04, 2017. [https://www.youtube.com/watch?v=DZmWBRsJ4gA&index=1&list=PLUd\\_BEEdYeCQjIQf9n0YIT6xCKw8ES0ZWj](https://www.youtube.com/watch?v=DZmWBRsJ4gA&index=1&list=PLUd_BEEdYeCQjIQf9n0YIT6xCKw8ES0ZWj).





**Figure 1:** World Map Illustrating the Expanse of FTAs. *Source:* Transferred from [en.wikipedia](http://en.wikipedia) (Original text : *self-made*)

Green represents the current FTAs the country is currently signed into, and in orange are the current proposed or suspended FTAs.

NAFTA was born out of the economic pressures that US corporations were feeling from the new lower costs of goods coming from Asia. They needed to reduce labor costs so that the price of goods and services could be lowered to sustain the US businesses. NAFTA superseded a previous bilateral agreement between Canada and the US that went into effect on January 1, 1989. “Key elements of the agreement included the elimination of tariffs, the reduction of many non-tariff barriers, and it was among the first trade agreements to address trade in services.”<sup>8</sup>

With this agreement, the two countries “agreed to a historic agreement that placed Canada and

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<sup>8</sup> Government of Canada, Foreign Affairs Trade and Development Canada, Deputy Minister of International Trade, Assistant Deputy Minister, TCS - Client Services, Trade Commissioner Service Renewal Division. "Canada-U.S. Free Trade Agreement." GAC. February 10, 2017. Accessed May 04, 2017. [http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/united\\_states-etats\\_unis/fta-ale/background-contexte.aspx?lang=eng](http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/united_states-etats_unis/fta-ale/background-contexte.aspx?lang=eng).

the United States at the forefront of trade liberalization.”<sup>8</sup> Upon opening negotiations with Mexico, the FTA we know as NAFTA was born. The idea that goods could be moved through a whole continent, was very appealing. Upon signing NAFTA into effect, it became the largest region in the world with duty and tariff free imports and exports. This allowed for the movement of goods and services across three different countries occupying a full continent. Negotiations for NAFTA can be traced back to 1990. NAFTA was finally drafted and signed to go into effect on January 1<sup>st</sup>, 1994.

In the following section I will delve into the three main claims that Clinton made in his 1993 presidential statement on NAFTA. I will first tackle the question of more growth, or the economic impact these policy has had. I will later delve into the issues of more equality, or social impact, followed by an analysis of NAFTA’s effect on the environment. I will avoid tackling the question of if NAFTA created a greater possibility of world peace. It is hard to measure for the possibility of greater world peace. However, I hope that by tackling Clinton’s other three points made in his statement, it will become evident that his hopes for this agreement were not met, and if anything this agreement has decreased the possibility for greater world peace.

### **Economic Impact**

Despite all of the positive coverage that NAFTA received prior to its implementation, the underbelly of such economic policy can be seen if we look closely at the effects it has had on Mexico. Despite arguing for more growth and more equality, the reality is that NAFTA has spread havoc throughout this developing country. In its first four years of being signed into effect, NAFTA was responsible for the end of 28,000 small and medium sized Mexican

businesses.<sup>7</sup> Ironically, the very same pressures that contributed to the US pursuing NAFTA, was brought to Mexico. The economic pressures that led US corporations to look for cheaper labor so that they could compete with the low prices of goods that were being brought from Asia, was the same economic pressures that the US brought to Mexico with NAFTA. The heavy subsidization of crops by US government resulted in prices so low that Mexican businesses and farmers could not compete.<sup>7</sup> In 2014 alone, companies like Lexmark, that have exported their assembly and production companies to Mexico, made a profit of 3.7 billion dollars.<sup>9</sup> NAFTA did create growth, only that it didn't reach the hands of the laborers in Mexico. While companies like Lexmark cash in millions of dollars every year, "since NAFTA went into effect, there has been no change in the number of Mexicans living below the poverty line - more than half [of the population]."<sup>1</sup> To add to the problem, the effects of NAFTA has been felt most strongly by the rural peasants of these area and throughout Mexico. This takes us into Clinton's next point of interest, NAFTA's ability to create more equality.

"Prior to NAFTA, small plots of land were permanently deeded to Mexico's peasant farmers."<sup>10</sup> Such land not only allowed many people to live off of it, but it was also a source of income, as it gave farmers a means of survival. They could grow food that could be sold, serving as a source of income to rural peasants. However, as the Mexican government prepared for NAFTA to go into effect, they changed their constitution to allow foreigners to be able to own this land, it also allowed creditors to sell or seize such land. In addition, within NAFTA's first

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<sup>9</sup> Telesurtv. YouTube. February 08, 2016. Accessed May 04, 2017. [https://www.youtube.com/watch?v=eqLcKVi6KP0&list=PLUd\\_BEeYeCQjIQf9n0YIT6xCKw8ES0ZWj&index=3](https://www.youtube.com/watch?v=eqLcKVi6KP0&list=PLUd_BEeYeCQjIQf9n0YIT6xCKw8ES0ZWj&index=3).

<sup>10</sup> "Does Lexmark Strike Signal New Labor Rights Movement in Mexico?" Common Dreams. Accessed December 7, 2016. <http://www.commondreams.org/news/2015/12/15/does-lexmark-strike-signal-new-labor-rights-movement-mexico>.

years after being implemented the price of corn, Mexico's main staple, fell by 66%.<sup>7</sup> This caused a downward pressure on the price of corn in Mexico, which led to farmers in Mexico to not be able to compete with the price of food and corn being brought from the United States. These two forces combined, forced an estimated two million Mexican farmers off of their land. The overwhelming majority of these farmers, don't even complete fourth grade.<sup>9</sup> Their lack of education forces them to have little option, they can either migrate within Mexico looking for jobs, or migrate north into the United States being forced to become just another link in the chain of slavery.<sup>9</sup> The number of undocumented immigrants coming to the US has increased by 185% since NAFTA was implemented, from 3.9 million in 1992 to an estimated 11.1 million in 2011.<sup>7</sup> But like I mentioned earlier, not everybody crossed the border, many Mexicans ended up migrating within Mexico, or they migrated and settled in one of the many cities with high concentration of jobs. These cities, like Cd. Juarez, employ upwards of 200,000 Mexicans in the maquiladoras.<sup>9</sup> The heavy migration of people into these cities have made worst the public health conditions in these places.

### **Public Health Impact**

“International trade agreements have transformed the capacity of governments to monitor and to protect public health, to regulate occupational and environmental health conditions and food products, and to ensure affordable access to medications.”<sup>11</sup> This has been the case for Mexico under NAFTA. The environmental degradation caused by NAFTA, a topic I will discuss in the next section, has had a negative effect on public health within the Mexican population,

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<sup>11</sup> Waitzkin, Howard. "Global Trade And Public Health." *American Journal of Public Health* 95, no. 2 (2005). Accessed December 20, 2016. doi:10.2105/ajph.2004.053116.

particularly in the maquila zones, areas with high concentration of maquiladoras. According to a report made by the Sierra Club, “under NAFTA, the vast majority of investments into Mexico were in maquiladora factories.”<sup>5</sup> Such factories, like I mentioned earlier, misplaced two million people and became in the case of Mexico one of the few options people had to work and make a living. This led to the migration of large numbers of people to these regions. “The overcrowded cities and towns associated with these maquiladoras continually struggle to meet basic sewage and waste disposal needs, resulting in hepatitis A infection rate more than double the Mexican average.”<sup>5</sup> The increased in air pollution associated with the increase in transportation and production in the maquiladoras has led, from the period of “1997 to 2001, [to] over 36,000 children rushed to emergency rooms due to breathing problems.”<sup>5</sup> Furthermore, the high levels of air pollution, was also linked to a significant number of deaths among children under age 5. In addition to the effects on public health caused by the environmental degradation that is associated with the implementation of NAFTA, another factor that is affecting public health is the nutritional transition that occurred as a result of NAFTA.

The amount of unhealthy food products that entered Mexico from the U.S increased drastically after NAFTA went into effect.<sup>12</sup> After the implementation of NAFTA 42% of the food consumed comes in from abroad.<sup>7</sup> The effects, unintended or not, that NAFTA has had on the public health in Mexico has been so dramatic, that many have, and continue to warn against “future trade agreements that allow such an astronomical flow of corn, soy, and meat and dairy

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<sup>12</sup> @CivilEats. "Mexico: Public Health, Rising Obesity and the NAFTA Effect | Civil Eats." Civil Eats. 2013. Accessed December 20, 2016. <http://civileats.com/2013/07/17/mexico-public-health-rising-obesity-and-the-nafta-effect/>.

products into its market.”<sup>13</sup> In the case of Mexico, the intake of liters of coke per capita has increased from 69 liters in 1991, to 172 liters in 2011. The consumption of animal fat has increased from 34.7 grams per capita per day in 1991 to 46.9 grams per capita per day in 2009. “A recent study linked these and other resulting dietary changes with an unsettling high 12 percent increase in obesity in Mexico between 2000 and 2006.”<sup>12</sup> However, it is estimated that upwards of 22 million Mexicans, today, live in food poverty, 25% of the population do not have access to basic food, and about one fifth of Mexican children currently suffer from malnutrition.<sup>7</sup>

The public health concerns are many, and like I mentioned earlier in this section, the environmental degradation caused by NAFTA have made worst these conditions.

### **Environmental Impact**

In his 1993 presidential statement Clinton argued that NAFTA would create conditions that would lead to better preservation of the environment. However, more than a decade later, the environmental damages caused by NAFTA are estimated to be in the billions. Many neoliberal economist uphold an old environmental protection mantra, that as a developing country develops destruction is inevitable, however once people start earning enough income within the developing country money will begin to flow towards environmental protection. There is much more to this theory than I can go in depth in this paper, however I mention it since it is the main theory that supporters of neoliberalism use to argue in favor of FTAs. These individuals argue that in a poor country there is no money for environmental protection, and in a rich country the money will inevitably become available for environmental protection as people begin to argue

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<sup>13</sup> "Workers Strike At Mexican Border Factory." Fronteras Desk. Accessed December 10, 2016. <http://www.fronterasdesk.org/content/10178/workers-strike-mexican-border-factory>.

for better living conditions. In this section I will talk about the environmental degradation that has occurred post-NAFTA.

In a report made by the Sierra Club on the effects of NAFTA in Mexico, they argue that this FTA “has created a legacy where corporate profits are promoted at the expense of environmental safeguards, health protections, and workers’ rights.”<sup>5</sup> They call attention to the fact that “despite an anticipated rise in pollution levels, NAFTA did nothing to strengthen Mexico’s environmental protections.”<sup>5</sup> There was no built-in safe guard against the anticipated increase in pollution within this agreement. In 1999 alone, according to the Mexican government environmental damages was estimated at \$47 billion. Between 1989 to 1999 the damages exceeded \$36 billion a year.<sup>5</sup> Instead of such damages being mitigated by an expected rise in the economy, during this same time period the economy of Mexico grew at a small rate of 2.5%, or \$14 billion per year. Looking closer at the environmental damages associated with NAFTA, Mexico’s National Institute for Statistics, Geography and Information Systems (INEGI) estimated “that municipal solid waste has increased by 85%; air pollution by 71%; and soil erosion by 62% since 1988.”<sup>5</sup> Whats worst is that “the environmental ‘side’ institutions created by NAFTA were not equipped to come to the rescue. Their meager budgets are dwarfed by the \$47 billion price tag of environmental degradation in Mexico.”<sup>5</sup> As if all the damages caused by NAFTA was not enough, the decline in the protection of the environment post NAFTA is another reason to worry. Mexican laws regarding hazardous waste produced by foreign-owned factories requires that the waste be shipped back to the country of origin for treatment and proper disposal. However, in the maquila zones “only 12% of 8 million tons of hazardous waste receives adequate treatment, and only 30% is returned to the country of origin.”<sup>5</sup> Furthermore

“environmental inspections plummeted by 45% after 1993, and inspections in the maquila zones decreased by 37%.”<sup>5</sup>

According to Juanita Sundberg, when people know “that their economic future lies in the sustained use of” the land and its resources, these families tend to be strong promoters of forest protection. They have an incentive to care for it and protect the very resource that is keeping them alive and supplying a source of income.<sup>14</sup> The local knowledge that was held and shared among many rural farmers, prior to NAFTA, was lost with the relocation of over two million rural farmers. “Since the implementation of NAFTA the annual rate of deforestation in Mexico has risen to 1.1 million hectares - practically doubling the prior rate of 600 thousand hectares.”<sup>5</sup> This places Mexico second to Brazil in the fastest deforestation rate in the world. In addition, “The weakening of environmental standards by NAFTA has also caused the increased use of chemical intensive production methods in Mexico’s large commercial farms.”<sup>5</sup> All these forces combined, have continued to worsen the environmental conditions in Mexico.

In conclusion, the implementation of NAFTA has had detrimental effects on the environment in Mexico. Decreased environmental regulation paired with the use of pesticides and fertilizers for the purpose of export farming, and the increased production of waste from the foreign owned maquiladoras and the waste produced by the increasingly denser population caused by the migration of people to the maquila zones have had a tremendous effect on the environment of the Mexico/U.S. border.

Having talked about the three points argued by Clinton in his statement regarding the implementation of NAFTA back in 1993, I will discuss one labor strike that has taken place in

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<sup>14</sup> Sundberg, Juanita Ruth. Conservation encounters: NGOs, local people, and changing cultural landscapes. 1999.



recent years in Cd. Juarez, Mexico. These labor strikes came about as a direct result of companies moving their production to Mexico, after NAFTA.

### **Lexmark Case Study: Ciudad Juarez, Mexico**

During the final months of 2015 and the earlier months of 2016 labor strikes erupted in Ciudad Juárez, Mexico. I choose this labor strikes as my case study for a couple of reasons. One, the strikes originated in the Lexmark maquiladora, an American company who as a result of free trade has shipped its production to the Mexican side of the border. Two, because NAFTA has and continues to serve as the template for new trade agreements, it is important to understand the implications that such agreement has had on labor in Mexico, a developing country. It is therefore important to analyze the reality of free trade for the working class in the countries with which we are signing FTAs with. Lastly, it is located in the Southwest, a region in the US that has been a hot topic of debate in our recent presidential campaign and recent political past.

The events that led up to the strikes started after Lexmark failed to honor an agreement it had made with its workers to increase their pay of \$6 per day. The agreed increase in salary was scheduled to go into effect October 2015.<sup>15</sup> At that point the average pay of a maquiladora worker in Lexmark was between \$4 to \$6 a day.<sup>10</sup> After Lexmark failed to uphold their agreement, workers in the plant began to demand an increase to their pay along with improvements in their working conditions.

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<sup>15</sup> Contributor, Guest. "Maquiladora Workers Protest in Pursuit of Just Wages and an Independent Union in Juárez." Latino Rebels. 2016. Accessed December 7, 2016. [http://www.latinorebels.com/2016/01/20/maquiladora-workers-protest-in-pursuit-of-just-wages-and-an-independent-union-in-Ciudad Juarez/](http://www.latinorebels.com/2016/01/20/maquiladora-workers-protest-in-pursuit-of-just-wages-and-an-independent-union-in-Ciudad-Juarez/).

Disillusioned by the company's failure to increase their wages, workers approached a Mexican attorney Sunsana Prieto Terrazas. In their meeting the workers asked Terrazas if the company could simply not uphold a previously made agreement, at which point she informed them that they could not sue Lexmark according to Mexico's Federal Labor Law. However, as stated in the law, they could form an independent workers union and fight for the increase in their salary and for better working conditions. Workers submitted an application on November 3, 2015 to the Board of Agreement and Arbitration in Cd. Juárez to have the workers union recognized as an official union representing the workers. Historically, an independent labor organization has never been possible in Cd. Juárez because of the power maquiladoras have in influencing local decision making. Most unions have been created through the facilitation of the maquiladoras. Government-sponsored unions have historically been shams and favor the employer. The worker's "petition was rejected twice based on minor technicalities."<sup>16</sup>

As the workers waited for a decision to be made on their recognition as an independent workers union, they continued to recruit workers and on December 7, 2015 700 workers staged a work stoppage in the maquiladora. Management in the company quickly stopped the protest by evacuating the facility. The following day on December 8, 150 workers held a second work stoppage in support of their co-workers. On this same day 81 workers who were members of the union they were fighting to get recognized, were not allowed to enter the plant. On December 9 75 people were fired from the company, with an additional number of workers fired the next day on December 10. The initial 75 workers who were fired were the same employees who had initially "submitted a formal request to start a union." According to Terrazas, the names of the employees "were supposed to be known only to the state government's Board of Conciliation

and Arbitration.” However their names were leaked to Lexmark, resulting in their job termination.<sup>16</sup> During the scheduled work stoppages, “Lexmark workers were subjected to fear and intimidation when the company recruited police to patrol inside the plant installations.”<sup>16</sup>

On November 2, 2015 workers created a makeshift camp outside the Lexmark Plant in an effort to recruit members to have their independent workers union recognized. This camp was staffed on a 24-hour basis, seven days a week. In the pictures that follow in the next page are two pictures of the makeshift camp that was up for over five months.

In these pictures the workers have covered their camp with signs crying for “Justice for the working class,” “Liberty,” and a list of demands such as higher salaries, restoration of the workers that were fired from the company, to be treated with dignity, and to have better working conditions.

In an article released December 11, 2015 the author Monica Ortiz Uribe reports on the situation in Cd. Juárez. She talks about how workers from inside the factory were recording and reporting on the labor strike happening right outside the company. They reported on how the police started to intervene and attempted to remove employees who had recently been fired. She reports on the workers’ grievances which include sexual harassment, mistreatment of workers injured on the job and inadequate safety gear. Most of the production that takes place in these companies is that of appliances, cell phones, and laptops. “Mexico’s factory workers are key to the country’s trade relationship with the United States which is currently worth half a trillion

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<sup>16</sup> Carroll, Rory. "Juárez: factory workers are protesting for their rights with an 'Occupy-style' sit-in." The Guardian. 2016. Accessed December 9, 2016. <https://www.theguardian.com/world/2016/feb/17/Ciudad-Juarez-factory-workers-protest-rights-occupy-style-sit-in-lexmark>.



**Figure 2:** Workers standing outside one of their makeshift camp. *Source:* The Atlantic: Upheaval in the Factories of Ciudad Juarez



**Figure 3:** Workers standing outside one of their makeshift camp. *Source:* The Guardian: Juárez factory workers are protesting for their rights with an ‘Occupy-style’ sit-in

dollars.”<sup>17</sup>

In a different article authored by Nadia Prupis, she directly addresses the issue of the FTAs in Mexico. She says “workers are mobilizing as observers warn exploitative labor system in Juárez began with NAFTA-and will grow with TPP.”<sup>10</sup> NAFTA has created a \$19 trillion regional market which critics say paved the way for the exploitative system that functions on low wages, labor violations, and other workplace abuses. In her article Prupis references a news outlet covering U.S.-Mexico border known as Frontera NutraSur (FNP). She quotes:

“While Worker dissatisfaction or protest is nothing new in the foreign-owned border factories that produce good for export to the United States, previous manifestations of discontent in the generally union-free industry have usually been confined to one company at a time. But recently, movements for better pay and working conditions-and union representation-have emerged at four different companies-Foxconn, Lexmark, ADC/ Commscope and Eaton. Hundreds of workers have participated in street protests, hunger strikes and leafleting.”<sup>10</sup>

In a recent interview with the news outlet *The Guardian*, one of the Lexmark strikers, Miriam Delgado outlined a few of the hazards workers face on a daily basis. She said “they didn't provide face masks or gloves to protect us, many people have injured hands. They cut our salaries for being even slightly late, even if our children were sick and we had to take them to the hospital, and we had to put up with harassment from supervisors.”<sup>16</sup> A different Lexmark striker, Victoria Moreno commented on these working conditions in an interview with teleSur. In her interview, she comments on the horrible working conditions that the maquila workers are

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<sup>17</sup> "Maquila Solidarity Network." Fired Lexmark workers in Ciudad Juarez reach settlement | Maquila Solidarity Network. Accessed May 04, 2017. <http://www.maquilasolidarity.org/en/fired-lexmark-workers-ciudad-juarez-reach-settlement>.

exposed to every day. She claims that they are forced to work long hours, the supervisors don't let the workers take any bathroom breaks, and if they do the breaks are limited to a time frame between five and 10 minutes. She claims that the workers are not given any sick days or any vacation days.<sup>9</sup>

To garner support for their plight, workers and attorney Susana Prieto Terrazas traveled to Mexico City on the week of January 11, 2016 and hosted a rally in front of the governmental offices of the state of Chihuahua. In figure four we see attorney Terrazas speaking to a group of supporters and workers.

In figure five we see a picture of the march the workers had in Cd. Juarez. Some of the demands written on the posters include "fair treatment and salary for the working class of Lexmark," "just salary," "justice for the working class," and so on. Such protests would continue for a few months until reaching a settlement agreement with Lexmark which calmed the protests down, causing nothing to change. In the following section I will delve into the outcomes of these labor strikes.

### **Labor Strikes Settlement**

According to the news source, *Maquila Solidarity Network*, on April 10, 2016, 56 workers who had been camped out and had been actively engaged in the labor strike around the Lexmark Maquiladora, "ended their protest after reaching a settlement with their former employer."<sup>17</sup> The labor strike gathered support from international and U.S. based workers unions. On December 30, The American Federation of State, County and Municipal Employees (AFSCME) and The American Federation of Labor and Congress of Industrial Organizations



**Figure 4:** Attorney Terrazas speaking to a crowd of labor strikers. *Source:* Latino Rebels: Maquiladora Workers Protest in Pursuit of Just Wages and an Independent Union in Juárez



**Figure 5:** Striker workers in Ciudad Juarez. *Source:* Latino Rebels: Maquiladora Workers Protest in Pursuit of Just Wages and an Independent Union in Juárez

(AFL-CIO) became the first U.S union to join the Lexmark workers in solidarity. Their support entailed holding conferences, writing to the CEO of the Lexmark company, and publishing articles shining a light on the labor strikes. “The terms of the agreement are not yet publicly available, since the US-based printing and software company demanded that the workers and their lawyer sign a confidentiality agreement before receiving their settlement.”<sup>13</sup> In my opinion the approach of paying a few who spoke up not only contributes to their further oppression, but it also works to calm the masses. So far, the very problems these workers fought so hard to change are still present. The very same treatment and working conditions they wanted to change are still alive and well in the current Global system of coloniality.

### **Significance of the Lexmark Case**

By looking at the labor strikes in Cd. Juarez, Mexico we are able to analyze the theories put forth by Marxist Political Economy along other theories as that of post colonial analysis. Through this case study we are able to see the manifestations of one particular theory within political economy, the theory of spatial fix. Spatial fix, argues that to maintain capitalism alive the capitalist will geographically expand or move its production or extraction of resources to other places to maintain their surplus value as high as possible. Since NAFTA went into effect in 1994, The Global Trade Watch reports a 450% increase in the U.S trade deficit (amount by which the cost of a country’s imports exceeds the value of its exports), resulting in the export of almost one million jobs, and downward pressures on wages.<sup>11</sup> Furthermore, author and journalist David Bacon notes “that such trade agreements have consistently established economic rules and relationships for the benefit of large corporations and investors, while exacerbating conditions of



poverty-low wages, high unemployment, export of jobs, privatization, and the destruction of unions.”<sup>11</sup> As we already explored in the case study in Cd. Juarez, the working class have been underpaid, unfairly treated, and furthermore were denied their right to unify and form an independent workers union. Furthermore, free trade deals since NAFTA have seen the share of national income to the richest 10% rise by 24% and to the top 1% by 58%.<sup>11</sup> Such disproportionate spread of wealth (or growth as Clinton called it in his statement regarding NAFTA), signals how the spread and continual interest of the United States for FTAs is an indication of the legacy of the rampant accumulation of wealth as it happened during colonialism. The same way that all the wealth that was acquired from Africa and the Americas ended up in Europe and later places like the United States, it is doing so today through the use of policies like NAFTA.

In Canada since signing the bilateral FTA with the United States in 1989, two-thirds of Canadian families have noticed a decline in their income as reported by John Dillon, a Canadian economist.<sup>18</sup> As we can witness by the labor strikes in Juaréz, Mexico along with the noticeable decrease in the income of Canadian families, we can conclude that FTAs are made for the benefit of large corporations and not as much for the average working class families in either of the countries involved. As we see in the case of Cd. Juarez, people are organizing and rising, forming grassroots movements to argue for their rights in a growing industrialized, global world.

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<sup>18</sup> Law, Bryan and Dicks, Dan. *United We Fall*. Bayview Entertainment, 2015

## **Conclusion**

Trade liberalization has had many negative effects on developing countries for a small net economic gain. My goal in writing this paper and focusing the end of my undergraduate college career researching this topic is because I am interested in analyzing the effects that FTAs can have on developing nations across the world. I was interested in studying such economic policies through a post-colonial lens. Theorists like Grosfoguel have argued before that the entanglements that were brought over during the years of colonization have remained with us till the present day. He argues that the world has gone from a state of colonialism to a state of coloniality. The empires might have fallen, the armies might have retreated from their former colonies, but the ideas and way of living imposed on the rest of the world by the European states were more complex and entangled than an army telling them what to do. The ideas from the white, cisgender, heterosexual, rich, European men stayed in the collective conscious of the Global South. I used these ideas in my paper to highlight how the new surge in FTA is a new wave of modern day colonialism. The effects of colonialism are still being felt today in countries like Mexico.

As we can see in this paper, the negative outcomes of NAFTA in Mexico are many. The healthy subsidies that the US government gives to the agricultural business in the U.S led to prices far below what small Mexican farmers could compete with. The new food entering the country along with the restructuring of the Mexican constitution to allow foreigners to own land was responsible for the displacement of over two million Mexican farmers. The massive displacement of so many people contributed to an increase of 185% in undocumented immigration coming to the US from Mexico. Furthermore, the people that did not migrate to the

US, stayed back in Mexico being forced to either migrate following yearly crop collection, or were forced to migrate to the northbound Mexican cities like Cd. Juarez in search of a new livelihood. The massive relocation of Mexicans to these border cities led to conditions beyond what local government could accommodate. This has led to public health issues far greater the average of that throughout Mexico. Furthermore, the need to exploit labor in order to make a profit led to the exploitative working conditions that resulted in many labor strikes like the one in the Lexmark maquiladora that I decided to study and use for this paper.

I decided to use Mexico as the developing country I wanted to focus my research on because of its location. Because of Mexico's close geographical position, it has disproportionately been affected by US decisions. To combat the high rates of unemployment in Mexico after the US decided to end the Bracero program, the Mexican government drafted a new program called the Border Industrialization Program (BIP). This program literally paved the roads for the integration of Mexico into the global market or at least to do business with the United States. These conditions along with others led US businesses to become interested in production in Mexico. When an employee that performs the same tasks as a Mexican laborer does so in the US, different labor unions and restrictions protect the laborer and results in a pay grade of upwards of \$16 an hour. On the other hand the Mexican laborer performing a similar task or a number of them at the same time gets paid \$6 a day. Such high difference in pay grade, resulted in the exportation of production jobs to Mexico after the implementation of NAFTA in 1994. Ciudad Juarez is important because it is the second city in Mexico with the highest concentration of maquiladoras. The maquiladora industry in Cd. Juarez employs upwards of 200,000 Mexicans. The Lexmark labor strikes are important because despite the fact that protests

occur regularly throughout Mexico, this has been the first protests in recent years that have gathered international support as well as local support from laborers in neighboring maquiladoras. I believe this to be indicative of the sense of urgency and desperation that laborers in Mexico are experiencing. I also consider these protests and the conditions to which these laborers are exposed to on a daily basis indicative to the situation that a developing country might find themselves in if they do not enter such trade liberalization agreements with extreme caution and preparation.

I believe my research to be important today because of the current political hard times we find ourselves in as a nation. This past presidential election, apart from resurfacing “old” emotions of social intolerance for immigrants, people of color, queer people, etc..., it also brought to the public’s attention the sense of helplessness and emotions that are shared by many U.S citizens across the country. People who have lost their jobs because of the exportation of production jobs to Mexico. People who’s salary has remained stagnant in the face of inflation, again because of the downward pressures on wages within the U.S as a result of cheaper production costs overseas. In my personal opinion these are legitimate issues for which somebody to become desperate and vote for the highly unqualified, racist, sexist, homophobic president that was elected in this past election. This research is important because through a short analyses we can reach the conclusion that ending NAFTA and other FTAs will not restore the jobs of the people who lost their livelihoods to the exportation of production jobs to Mexico. In some cases it might on the other hand lead to more jobs being lost. “If Trump were to close the border with Mexico outright, in less than a week all the people who voted for him in Michigan and Ohio would be out of work... many factories in the U.S, including car makers in Detroit,

depend on parts made in Mexico.” Furthermore, the effects on Mexico might be catastrophic. “Economist say the plan [to close the border] poses a serious threat to Mexico, which sends roughly 80% of its exports to the US, and whose peso has plummeted amid fears of what the Trump administration may do.”<sup>1</sup>

I consider my research to be of importance to the department, as it deals with issues of human rights, labor rights, immigration, conservation, economic policy, and much more in the region of the greater Southwest, looking beyond an international border. The effects that NAFTA has had on Mexico stretch beyond business and economics. We have witnessed the displacement of millions of people, who’s lives and livelihoods were destroyed as a result. We have witnessed a skyrocket increase in the number of undocumented immigrants coming to the United States. Along with this comes more deaths of the people who do not survive the trip, more lives destroyed, families separated, generations of young people being brought up with a whole different way of living and a whole different definition of work, family, patriotism, and much more. For this and for all the reasons and all the negative effects that NAFTA has had on Mexico, which I have listed and explored in this paper, I believe that my research is of importance in todays world and for the department.

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