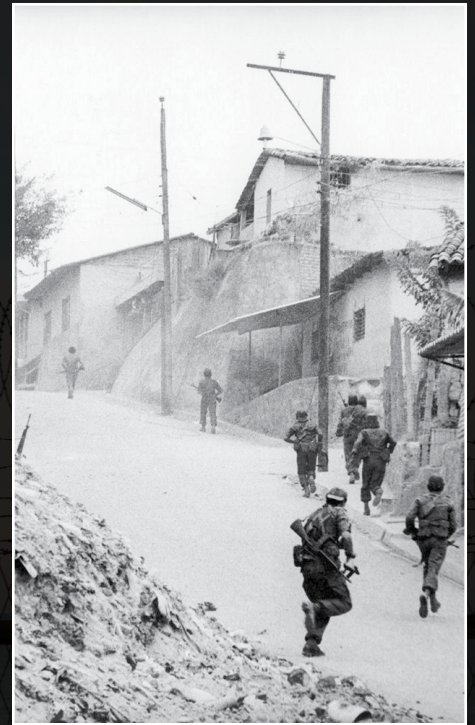


Exporting Instability, Importing Exploitation



The Impacts of U.S. Trade Policy on Migration in Latin America

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Executive Summary



In campaign speeches, press conferences, and executive orders, President Donald Trump has relentlessly vilified Latin American immigrants as criminals, invaders, and burdens on the U.S. economy.¹ He has declared a “national emergency” at the southern border to justify authoritarian power grabs, deployed troops and razor wire against asylum-seekers, and fast-tracked deportations to countries like El Salvador without due process,² despite well-documented risks to life and safety.³ These tactics are not about border security, they are about scapegoating vulnerable people to obscure deeper systemic failures.

As Trump and other politicians use immigration as a political weapon, the real crisis goes unexamined: the economic system that displaces people through trade and investment policies, exploits their labor upon arrival, and criminalizes their existence.⁴

The consequences are felt beyond the border. Within communities, the U.S. Immigration and Customs Enforcement (ICE) agency is detaining Spanish-speaking

American citizens, sweeping up Native Americans in immigration raids, even deporting U.S. citizens to Latin America.⁵ This targeting stems from hate-fueled bias, perpetuating racial profiling and the unjust treatment of those whose only “crime” is their heritage.

Immigrants or descendants of immigrants, regardless of their legal status or reasons for being in the country, face increasing criminalization driven by the expansion of discriminatory narratives. For example, university students have had their visas revoked as a direct result of global trade tensions, a troubling precedent that underscores the intersectionality of trade policies and racial profiling.⁶ These policies create an environment where individuals from targeted countries are marginalized and criminalized solely for their nationality.

However, migration is not a border crisis. It is a consequence of economic policies that displace people and extract profit at every step of their journey. This report traces a throughline from U.S. trade deals to the rural exodus, labor exploitation, and environmental collapse that drive migration across Latin America, only to criminalize and exploit the migrants once they arrive in the United States.

For decades, the United States has promoted a model of globalization that prioritizes corporate profits over human dignity and environmental protection.

Under the guise of development and market integration, U.S. trade policy has destabilized entire economies, pushed millions from their homes, and ensured a steady supply of exploitable labor across borders. The result is a transnational pipeline that treats land, labor, and migrants as disposable.

The dominant political narrative portrays migration as a spontaneous crisis rather than a foreseeable outcome of economic policies. This report dismantles that myth. It reveals how trade liberalization agreements, such as the North American Free Trade Agreement (NAFTA) and the Central America-Dominican Republic Free Trade Agreement (CAFTA), were not designed to uplift workers or foster stability. They were crafted to secure deregulated markets and protect corporate interests while systematically stripping countries of sovereignty and encouraging a “race to the bottom” in labor protections and environmental safeguards.⁷

Workers across borders swiftly and deeply felt the effects of NAFTA and CAFTA. In the United States, they hollowed out manufacturing centers, shuttered factories, and accelerated job losses in unionized industries, leaving working-class communities in industrial strongholds like Detroit and Youngstown reeling.⁸ In Latin America, where economic conditions were already fragile, these agreements were even more devastating. They dismantled rural livelihoods, flooded markets with subsidized U.S. agricultural products, and deepened poverty and inequality.⁹ For many across Mexico and Central America, migration was no longer a choice — it became a matter of survival.

As a condition to join NAFTA, Mexico dismantled its constitutional land protections (ejidos), enabling foreign agribusiness to consolidate farmland and flood local markets with subsidized corn from the United States.¹⁰ Prices for Mexican farmers collapsed by 66%, and over 2 million small farmers lost their livelihoods. Migration rates from Mexico had been steady in the three years preceding NAFTA, but it only took six years after the deal's implementation for the number of migrants per year to double, from 370,000 in 1993 to 770,000 in 2000.¹¹

CAFTA reproduced these dynamics across Central America. The promised gains in domestic agricultural exports and job creation never materialized. Instead, U.S. grain imports displaced small farmers, and the apparel assembly jobs meant to absorb the displaced were able to easily relocate to even lower-wage countries. Unable to make a living, in the decade following CAFTA's implementation, the number of undocumented immigrants from El Salvador, Honduras, and Guatemala living in the United States increased by 49%, 122%, and 73%, respectively.¹²

While some apparel assembly plants remain in the region, the sector has faced significant challenges. With limited long-term investment or value-added development, Central America's garment industry has remained highly vulnerable to global supply chain shifts. As corporations sought cheaper labor and more flexible production, many factories relocated to Asia, triggering sharp declines in exports and employment, exposing the fragility of a model built on short-term cost advantages for corporations rather than uplifting workers.¹³

Meanwhile, trade-fueled extractive industries have depleted water resources, razed forests, and rendered farmland unusable across Mexico and Central America.¹⁴ In Guatemala, more than 1.89 million hectares of forest have been lost between 2001 and 2024, much of it for palm oil exports to the U.S. and European markets.¹⁵ In northern Mexico, water extraction for mining and export agriculture surged

by over 3,000% between 1995 and 2019, draining aquifers and displacing rural communities.¹⁶

These outcomes were foreseeable and fiercely opposed. Long before the consequences became undeniable, labor organizers, environmentalists, and migrant justice advocates sounded the alarm. In 1999, the Battle of Seattle protests brought tens of thousands into the streets to oppose the World Trade Organization (WTO), warning that trade agreements such as NAFTA were tools of corporate power that would deepen inequality, displace communities, and erode democratic sovereignty. They were right.¹⁷

These agreements locked in legal frameworks like the Investor-State Dispute Settlement (ISDS) system that grants extensive rights to multinational corporations at the expense of affected communities. All the while, immigration laws, including the 1996 Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA), expanded enforcement and stripped migrants of legal protections.¹⁸ Together, these policies created a system where the same corporations that uprooted communities in Latin America now profit from the cheap, legally restricted labor of those they displaced.¹⁹

This report draws on legal analysis, economic data, and frontline testimonies to expose how:

- Trade agreements, which included rules that entrenched corporate colonialism, gutted rural economies, and encouraged a “race to the bottom” in wages and working conditions, displacing millions.
- Climate collapse, accelerated by trade-fueled deforestation and land grabs, is triggering a new wave of forced migration.



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- Migrant workers are essential to U.S. industries but are trapped in low-wage, high-risk jobs.
- Immigration enforcement serves corporate interests, silencing worker dissent through fear, surveillance, and threats of deportation.

Rather than confront the root causes of displacement, U.S. political leaders have long weaponized migration from Latin America for partisan gain, relying on migrant labor as a pillar of the economy, while criminalizing it whenever politically expedient.

Under the Bracero Program starting in 1942, the U.S. government actively recruited Mexican workers to sustain its agriculture and industry.²⁰ However, when economic conditions shifted, these workers were subsequently discarded. In 1954, the callously named “Operation Wetback” initiated mass deportations, criminalizing migrants who had only recently been encouraged to enter.²¹

The systematic weaponization of migration intensified in the 1980s, as the Reagan administration largely denied asylum protections to Central Americans fleeing violence backed by the United States. By labeling them as “economic migrants” despite well-documented human rights abuses, the U.S. was able to obscure its role in fueling the crises through military and economic intervention.²²

This strategy reached new lows under President Trump, who has characterized immigration from Latin America as an “invasion” posing an existential threat to the United States.²³ Through explicit xenophobia, Trump justifies family separation, mass detention, and expanded deportation — all while preserving and deepening the trade policies and corporate agendas that fuel migration in the first place.²⁴ As such, politicians scapegoat immigrants to deflect from the economic systems that profit from their vulnerability with impunity.²⁵

This report advocates for a comprehensive overhaul of U.S. trade and immigration policies. Public Citizen and the National Partnership for New Americans (NPNA) demand structural transformation:

Transform Immigration Policies to Respect Humanity and Address Root Causes

- Uphold Due Process
- Expand Protections and Legal Pathways for Vulnerable Populations
- Restore and Strengthen Asylum Protections

- Safeguard Temporary Protected Status (TPS)
- Decouple Immigration Enforcement From Labor Policy
- Support Immigrant Communities
- Oppose Punitive Immigration Laws
- Ensure Access to Pathways for Climate-Displaced Populations

Transform Global Trade Policies that Displace and Exploit Workers

- Implement Transparent and Inclusive Trade Policymaking Processes
- Conduct Impact Assessments
- Incentivize Living Wages, Decent Working Conditions, and Robust Environmental Standards
- Safeguard Small Farmers' Livelihoods
- Respect Sovereignty
- Remove Corporate Giveaways
- Eliminate ISDS
- Support Regionally Led Economic Development and Climate Justice

Migration is not a failure of policy. It is a reflection of the policy's true purpose under the current model that serves capital at the expense of people.

Until policymakers rewrite trade and immigration policies to prioritize justice, no wall — literal or political — will stop migration. It will only conceal the more profound crisis of an economic system that uproots people, exploits their labor, and punishes them for trying to survive.