Title: Structural adjustment in Mexico : social and economic impacts
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Awarded: 2009

Abstract:

This dissertation analyses the period of Structural Adjustment in Mexico from 1986 to 1999. This includes the liberalisation of the incentive system and the restoration of investment. The research work presented here looks at the effect of an aspect of structural adjustment policy - trade reform - on labour market outcomes at the household level, in Mexico, by considering a large number of observations (household members), from a number of cities, over a period of thirteen years. It examines whether Mexico should have used alternative policies in order to improve the economic and social conditions of the poor. The main questions explored by this dissertation are: What has been the impact of adjustment on Mexican macroeconomic indicators directly related to poverty? Were migration and remittances affected by the adjustment process? The specific research questions are: 1. How did the effects of economic reform on wage and employment vary with age and gender in the short and medium term? Did this relationship change over time? 2. Did structural adjustment and trade liberalisation harm or help the poor? 3. Did the reforms help the poor indirectly through their positive effect on economic growth? 4. What were the effects of macroeconomic policy on aggregate measures of welfare - average wage, proportion of individuals unemployed? 5. What happened to migration and remittances during the analysed period? There are three separate analyses. The first two use repeated cross-sectional models to determine the effects of policy, economic conditions and household characteristics on wages, the probability of being unemployed and employed in the informal sector, as well as the probability of being poor. It is important to mention that this study refers mainly to the urban population. It is the use of household characteristics as control variables in the determination of welfare that distinguishes the models here from the macroeconomic models commonly used. For comparison, a third analysis uses a traditional time series model to measure the effects of policy and economic conditions on aggregate measures of welfare.