

*The situation of Mexican Labour* is an historical contribution for our understanding of the changing Mexican economy from the point of view of the common Mexican worker who most toil in order to earn her or his living. Its unique and wholesome analysis of current economic conditions in Mexico will prove useful for the policymaker, the journalist, the academic, and above all, the lay working citizen.

Like in any other nation, be it the poorest or the fullest developed, workers make up most of the Mexican population. Yet, for the past 20 years, public dialogue within Mexico as in any part of the world has been growingly narrowed to the economic concern of investors – particularly big foreign investors – and the corporate managers representing them: economic news are meant to be the fluctuations of stock market prices, mergers and acquisitions, and the chance opinions of business personalities pretending to speak for the whole of capital markets. A passing-by statement by the finance minister makes up the front pages of the press, while the policy announcements of, say, the labour or health minister goes regularly unnoticed, reflecting the wide disparities within the political status of either news' subject.

As public discussion on economics is predominately concerned with the woes and carried on the language of investors, one must not be surprised that policy makers care to develop and evaluate their policies regarding big finance's interests. Consequently, public discourse witnessed in the media is disconnected of the everyday life of the country's citizens-workers, reinforcing their cynicism, distrust and apathy towards politics.

Thus, by reflecting on the daily worries of the nearly 40 millions Mexicans that are at any moment working or looking up for a job, *The situation of Mexican Labour* provides an important contribution to the democratic process. It reminds us that any economic policy must be ultimately tested by its impact upon the majority of a nation's citizens, and that the resulting image of such view is quite different from that depicted by conventional wisdom. Hence, every Mexican, without regard of his or her political or ideological standing, will benefit of regarding the economy in a different way.

This book is also important for Mexico's northern neighbours. The economic integration, of which NAFTA is both the symbol and the substance, is slowly creating a labour market of continental proportions where conditions faced by workers of one country have an impact on the working conditions within the rest. Standard economic theory predicts that economic integration will bring about a convergence of living standards within all three countries. But the point is whether convergence will take place at low or high levels of living. This book tells us much about the current trend.

Those concerned by the behaviour of the global market will also benefit from this book. Indeed, Mexico is useful as a first test case of the policy set labelled as the "Washington Consensus" or "neoliberalism", encompassing the export-led growth strategy as well as measures aiming at deregulation, privatization and the curtailment of the public sector. Relative to all developing nations, Mexico enjoys a privileged position: it has a wider access to the vast U.S. market and, even if the U.S. is willing to tend a safety net underneath high-flying investors in emerging markets, matters are of more pressing nature in the case of Mexico – as evidenced in the aftermath of 1994 crash – because of its

proximity and strategical relevance to the U.S. economic and political interests. Yet, in spite of such advantages, the neoliberal policies in Mexico have utterly failed. Is it probable that they may be succeeding anywhere else in the developing World?

Prior to the early 1980's debt crisis, working conditions in Mexico were on the rise: with real *per capita* income growing, poverty was cut and income distribution improved. Those who stood for the new liberalized economy promised that modernization would achieve an accelerated growth rate that would lead to higher living standards and social mobility for the middle class and the poor.

Twenty years fairly allow for an evaluation of this experiment, and *The situation of Mexican Labour* is an invaluable guide that measures the extent to which such promises have come true. Each chapter, written by acknowledged experts, has been conceived as a self-contained analysis of a specific issue of working Mexico built on fresh findings, updated facts and high quality research. They all integrate into a mosaic that describes how the Mexican people have fared under the structural change of the past two decades.

As pointed by Carlos Salas in the second chapter, the big picture emerges clearly: the growth rate for *per capita* income did not accelerated; what's more, it evolved in a dramatically lower level than the previous twenty years. Neither have we witnessed an income distribution improvement: the gap between the richest and the poorest 10% has widened since the mid-eighties. Consequently poverty rates – which had fallen during the sixties and the seventies – hiked during the eighties and, in spite of its ebb and flow, did not bettered along the nineties. Today poverty extends among 50% of the Mexican population with about a third of it living in extreme poverty, defined as those who do not have enough income to cover the minimum nutrition required for a healthy existence.

The following chapters regard facts, not theories, which allow readers to take a deep measure of the assortment of statements made about the policies of the past two decades. For instance, as it is well known, NAFTA gave way to a rush of grain imports from the US and Canada that most likely mined the income base of much of rural Mexico. This appears as a conscious effort to transfer rural workers dwelling on small-unit agriculture towards an expanding urban manufacture purposed to serve the U.S. market.

From this followed a reduction in the agricultural share of the working force from the 27 to 18% between 1991 and the year 2000. The costs of this forced migration were covered by the poorest and most vulnerable Mexican workers whom still bear the burden of displacement, impoverishment and communal and familiar rupture.

Standards of living for the manufacturing sector were expected to rise, however – as related in chapter 2 – manufacturing expansion during the nineties took place virtually nowhere but amid the maquila production wherein wages dropped 7% along the 1990-2000 years. Average wage for the big manufacturing facilities fell an astounding 40% (1993-2000). Promises aside net job creation has gathered around the informal side of the economy, where wages are extremely low, benefits nonexistent and social security dismantled.

Neoliberal policies have managed to worsen wealth distribution among geographical regions inasmuch as they did between social strata. Southern regions, which endured the falling apart of agriculture, were cast aside from the export-led growth strategy. To make matters worse, as greater insecurity haunted the labour force the government's answer was not to strengthen the thin working social security network but to further weaken it by aborting most of its social security and food subsidy programs.

Among many other findings, this book details the extremely relevant evolution of the economic role of women within the Mexican labour force. Along the past decade the working force's female share rapidly rose partly due, in the bright side of the story, to a rupture discrimination and attainment of higher education levels. But the main reason of this change appears to be familiar wreckage and other social phenomena that have followed from the economic turbulence. Interesting enough, the gender wage gap is narrower in Mexico than in the U.S., but this appears to be the result of the decline of male real wages.

When judging the effect of economic policies upon the Mexican population one must always regard the evolution of the U.S. economy, especially the unprecedented soar of U.S. import demand during the mid-to-late nineties which fitted the Mexican export-led strategy. We know that the U.S. surge relied on unsustainable processes; for instance, consumers living beyond their means, a stock-market bubble and deceptive corporate accounting. Historically, it will be long before the U.S. economy returns to where it stood during the nineties. Moreover, as pointed by Harley Shaiken in the introductory chapter on the global context: México is to face a rising and harsher competition from cheaper labour providers such as China. Under such circumstances it is difficult to see will the current Mexican model achieve the necessary growth rates to bring about prosperity for most of its citizens.

This valuable book does not look up to assert that there are no benefits accruing from trade, foreign investment or labour transfer from the less productive activities toward the more productive segments of the Mexican economy. The purpose is rather to point out that policies have ill-distributed the costs favouring the few holding the top 20% of the income while burdening those living with the remaining lesser 80% of national income.

Those who argue for the neoliberal tenets are commonly given to say, as Margaret Thatcher used to, that "there is no other way". But this is a political statement, not a reason judgement based on economic reality. The human mind is surely able to imagine alternative and more socially efficient schemes of market relations, further from the limited and blindfolded neoliberal dogma that condemns half of a country's population to poverty. A dogma that was in fact not subject to rational analysis but forced into Mexico as anywhere by those interests who were to benefit the most from it.

Precisely so, those concerned with the laying of a promising path towards a better future will find the final chapters of the utmost importance, related with the crisis of Mexican labour unions and what may come for them. The old social contract in which workers' organizations were co-opted by an authoritarian state is through. The business community has been freed from state regulation and is now able to promote its own interests. Thus, in order to strike a new balance between labour and capital, Mexican workers might need to

build their own independent organizations as well, which may enable them to negotiate their interests with employers, and press for a wider social agenda.

No matter what the future may bring, one thing is certain: a country is best served when its citizens and representatives enjoy clear access to information. In this sense, we owe the authors of *The Situation of Mexican Labour* their notorious contribution to the ongoing debate on Mexican economic policy and the strengthening of Mexico's democracy.