

Diverging paths in development, Brazil and Mexico

Carlos Salas and Anselmo dos Santos

Cesit-IE, Unicamp

GLU Conference, September 2010

Brazil as a late comer into neoliberalism made it possible to escape from the standard lock-in trajectory that characterizes Mexico after 1982.

1988 Constitution and its aftermath, the ruling classes strike back, Collor
Strong social movements

Social resistance to privatization processes

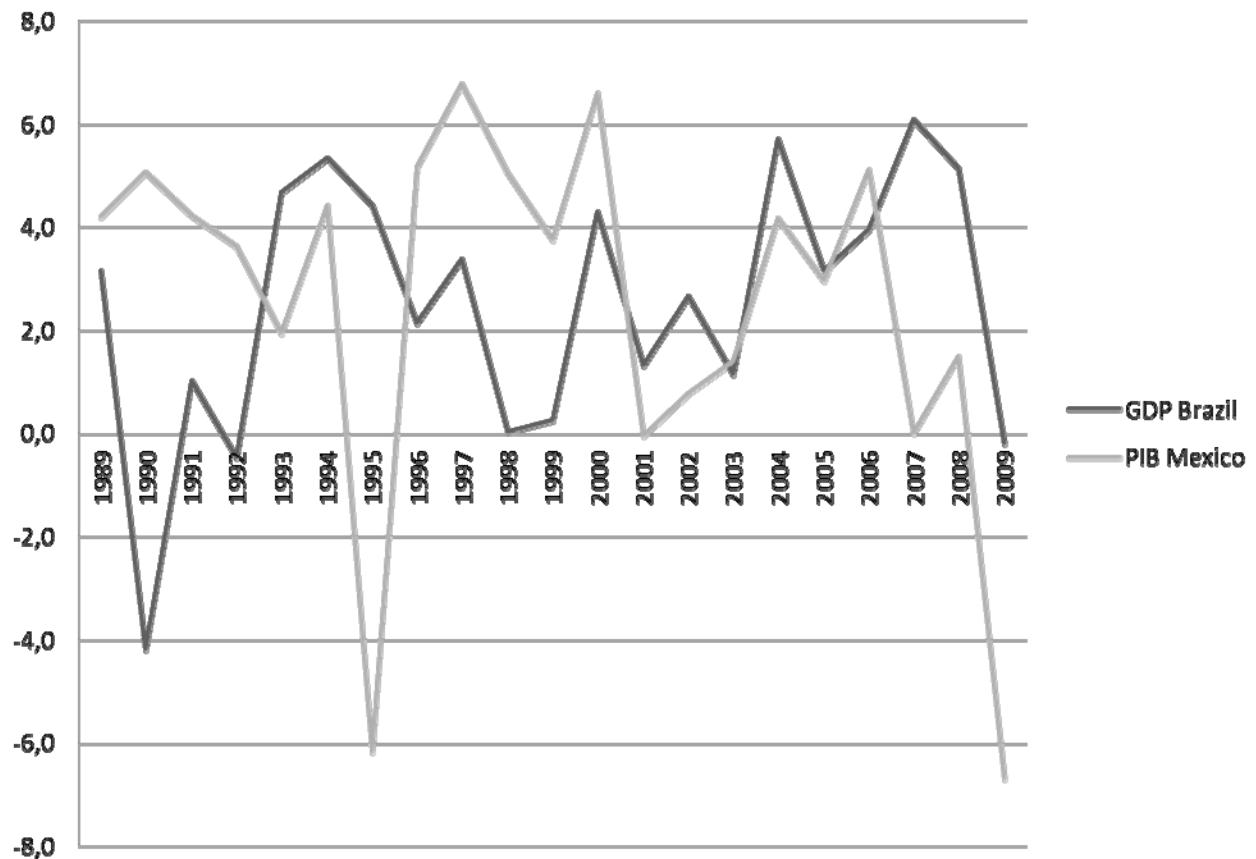
Mexico entered as a minor partner into NAFTA in 2004, but had already advanced into:

Re-regulation schemes

Privatization processes (Banks and Telecommunications)

Disarticulated social movements

GDP rate of growth



	Employment and unemployment, Brazil 2001-2009								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
Economically active population	84018	86963	88774	92660	95748	96874	97872	99500	101110
Employed	76163	79008	80147	84419	86840	88725	89898	92394	92689
Unemployed	7855	7955	8627	8241	8908	8149	7974	7106	8421
Unemployment rate	9,3%	9,1%	9,7%	8,9%	9,3%	8,4%	8,1%	7,1%	8,3%

	Employment and unemployment in Mexico, 2000-2009										
	2001	2002	2003	2004	2005	2006	2007	2008	2009		
Economically active population	39061	40085	40417	42100	42274	43575	44411	45460	45709		
Employed	38065	38940	39222	40561	40792	42198	42909	43867	43344		
Unemployed	996	1145	1195	1539	1482	1377	1502	1593	2365		
Unemployment rate	2,5	2,9	3,0	3,7	3,5	3,2	3,4	3,5	5,2		

Average monthly income, wage workers 14 years old or more, by sex Second quarter of each year																
(Constant 2002 pesos)																
Average monthly income	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Total	3,514	2,985	2,954	3,042	3,004	3,378	3,556	3,624	3,699	3,733	3,711	3,825	3,925	3,821	3,671	
Men	3,790	3,114	3,140	3,215	3,201	3,599	3,799	3,863	3,922	3,969	3,951	4,057	4,194	4,092	3,873	
Women	2,947	2,726	2,582	2,703	2,616	2,961	3,098	3,174	3,272	3,296	3,300	3,426	3,470	3,362	3,326	

- Differences in unemployment rate reflect different employment structures,.
- Mexico has more labor force in microunits, which play a key role in social reproduction
- Microunits are divided between profit seeking units, survival strategies units and transitional units

		Labor income, in real terms. Brazil									
	jun/02	jun/03	jun/04	jun/05	jun/06	jun/07	jun/08	jun/09	jun/10		
Employees	1.352,92	1.227,84	1.252,53	1.225,21	1.278,42	1.283,54	1.273,82	1.321,44	1.348,90		
Self-employed	1.187,29	949,61	930,76	936,72	960,78	1.047,60	1.095,46	1.140,53	1.169,88		