

National Transfer Accounts in Mexico

Policy implications: labor market

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1. National Transfer Accounts (NTA)

Background

- Mexico is an NTA member since 2007-08.
- National Population Council (CONAPO): Lic. Patricia Chemor
- Latin American and Caribbean Demographic Centre (CELADE-CEPAL): Dr. Paulo Saad
- CEDA (Dr. Ronald Lee), East-West Center (Dr. Andrew Mason), IDRC, UC-Mexus Conacyt

Data

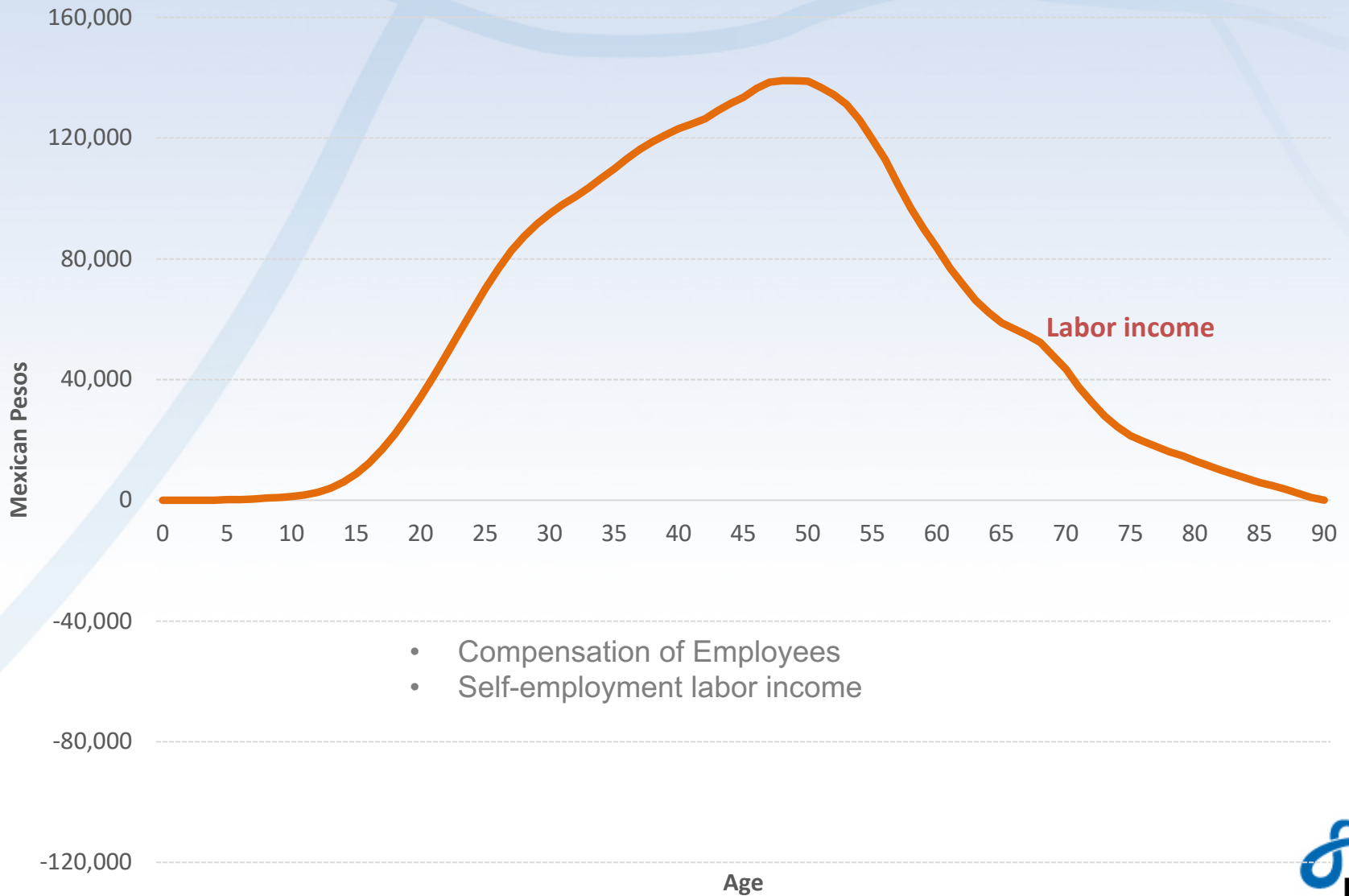
- National Income and Expenditure Surveys (ENIGH-INEGI)
- System of National Accounts (SCNM – INEGI)
- Administrative records (Cuenta Pública – SHCP)

Three main components of NTA

1. Life-cycle deficit (labor income and consumption)
2. Net transfers (public and private)
3. Asset-based reallocations (asset income and savings)

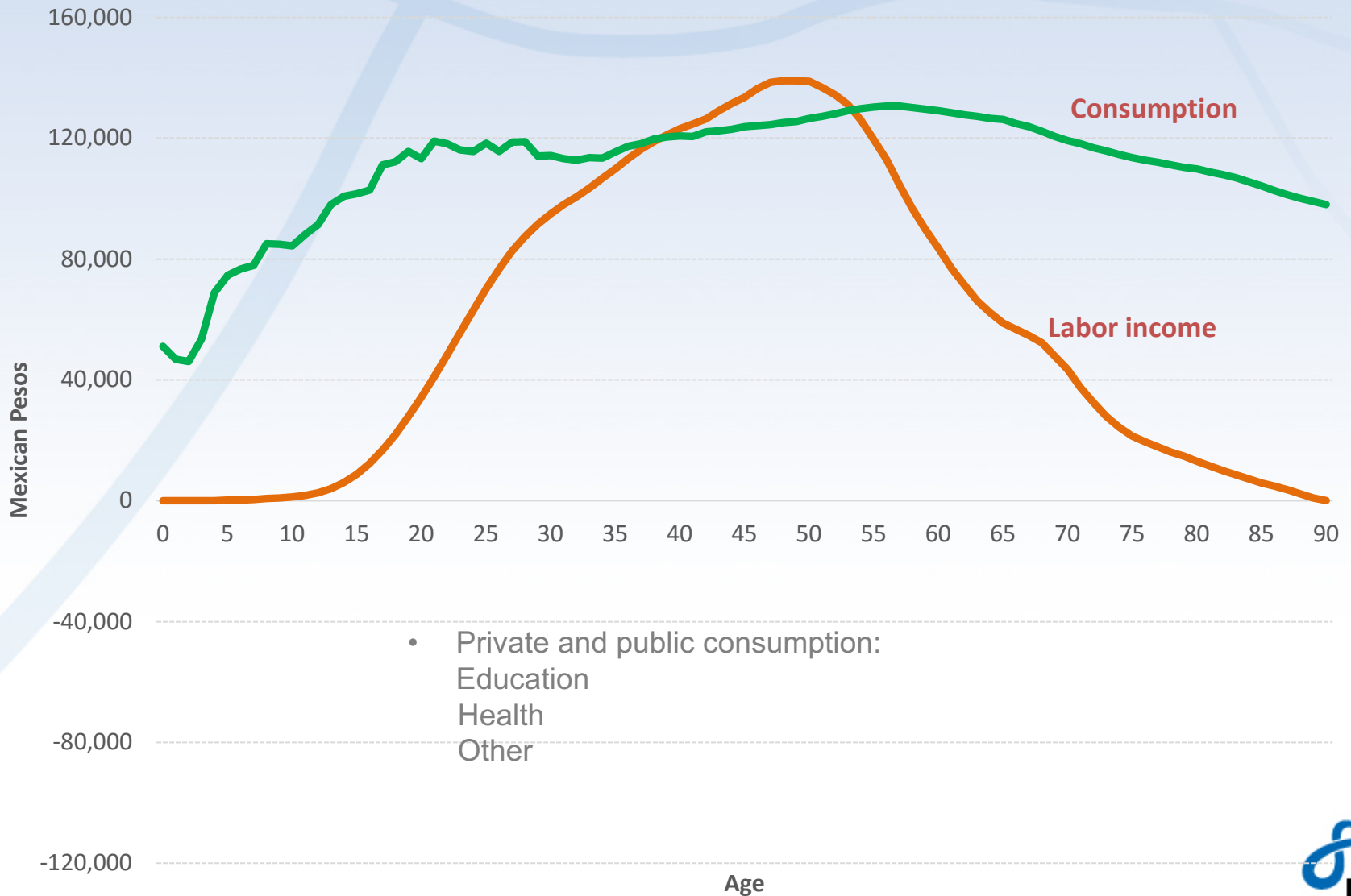
Average Labor Income by Age

Mexico 2014



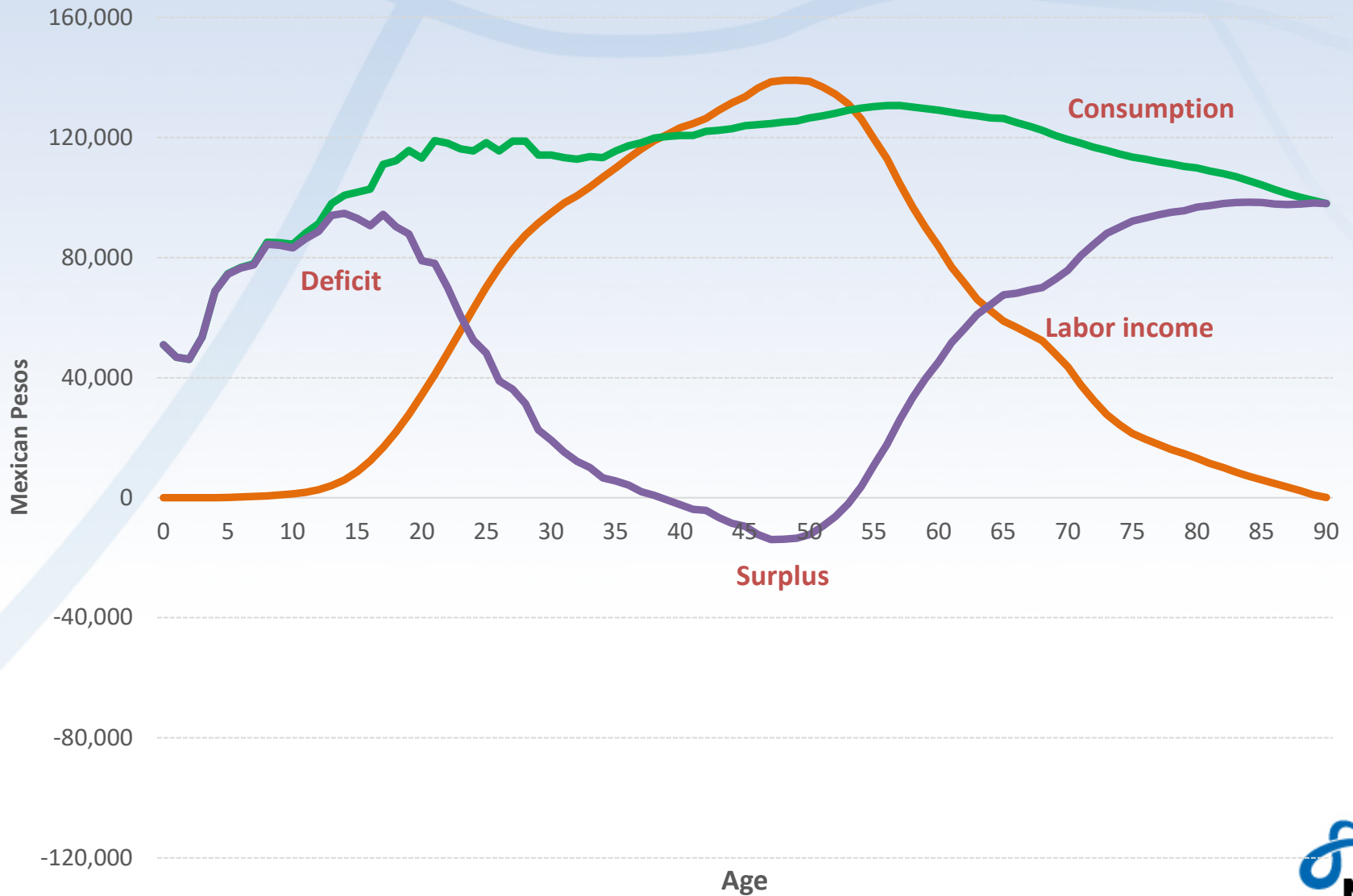
Average Labor Income and Consumption

Mexico 2014



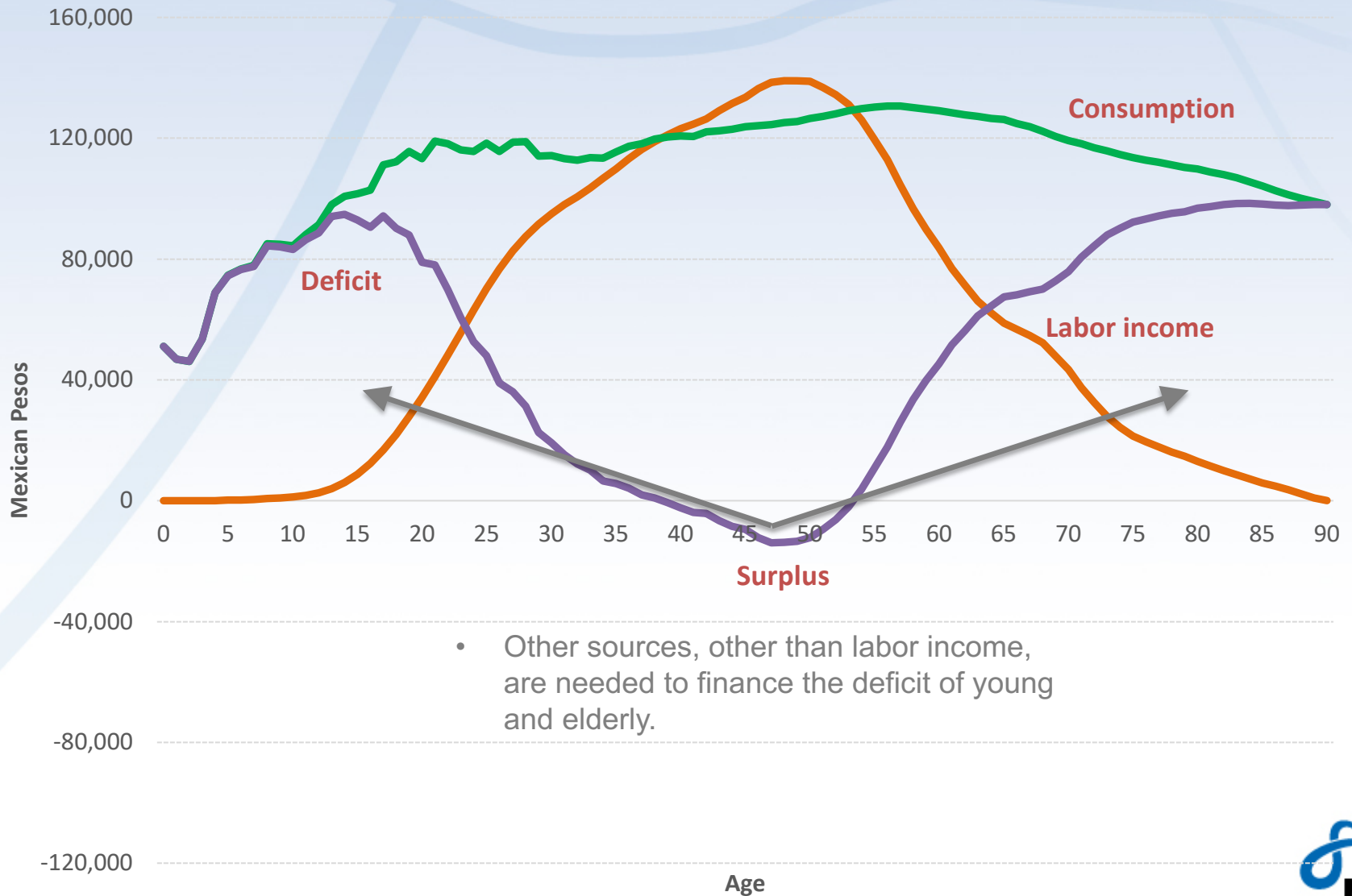
Economic Life-cycle Deficit

Mexico 2014



Economic Life-cycle Deficit

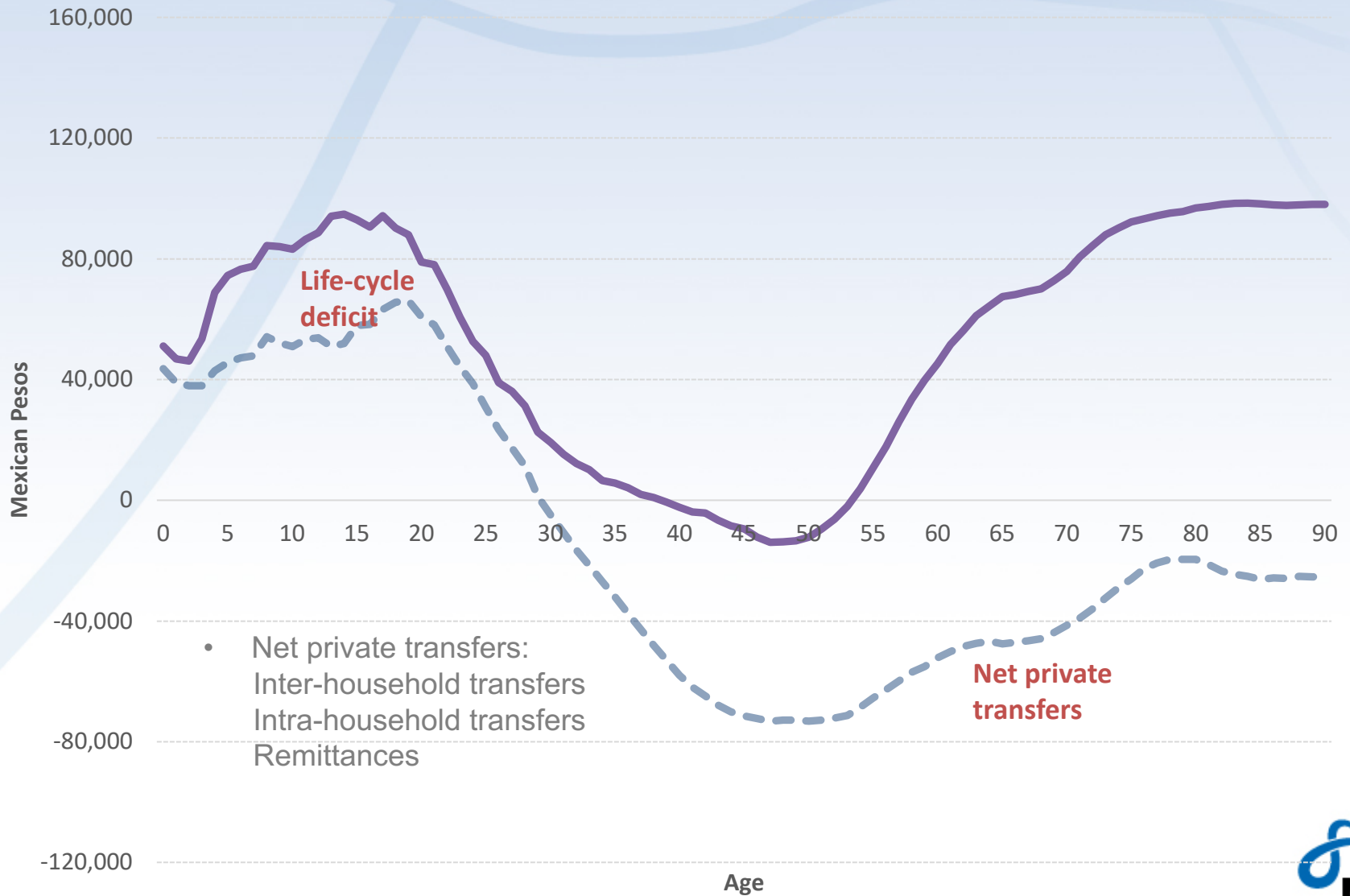
Mexico 2014



- Other sources, other than labor income, are needed to finance the deficit of young and elderly.

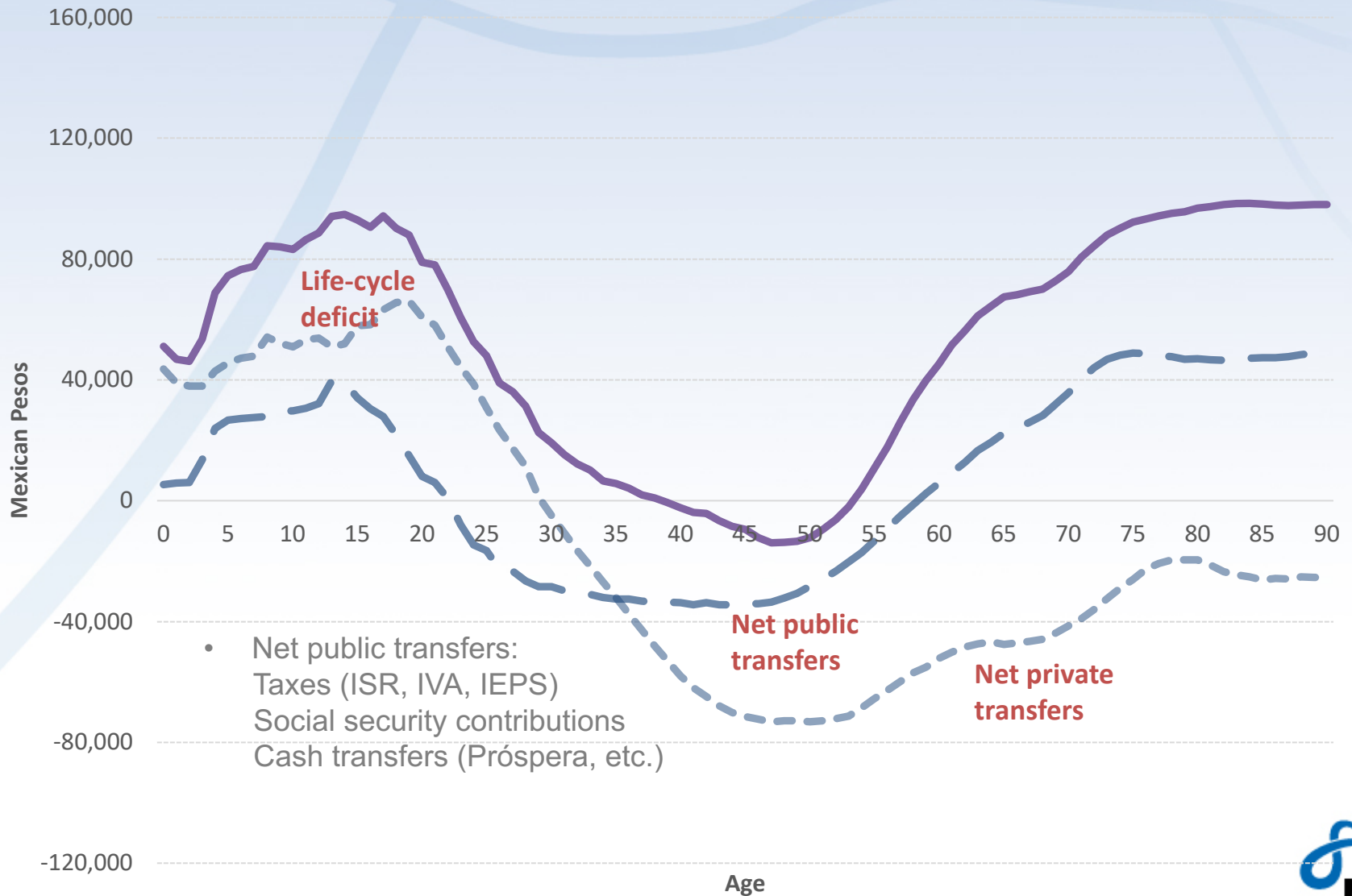
Economic Life-cycle Deficit

Mexico 2014



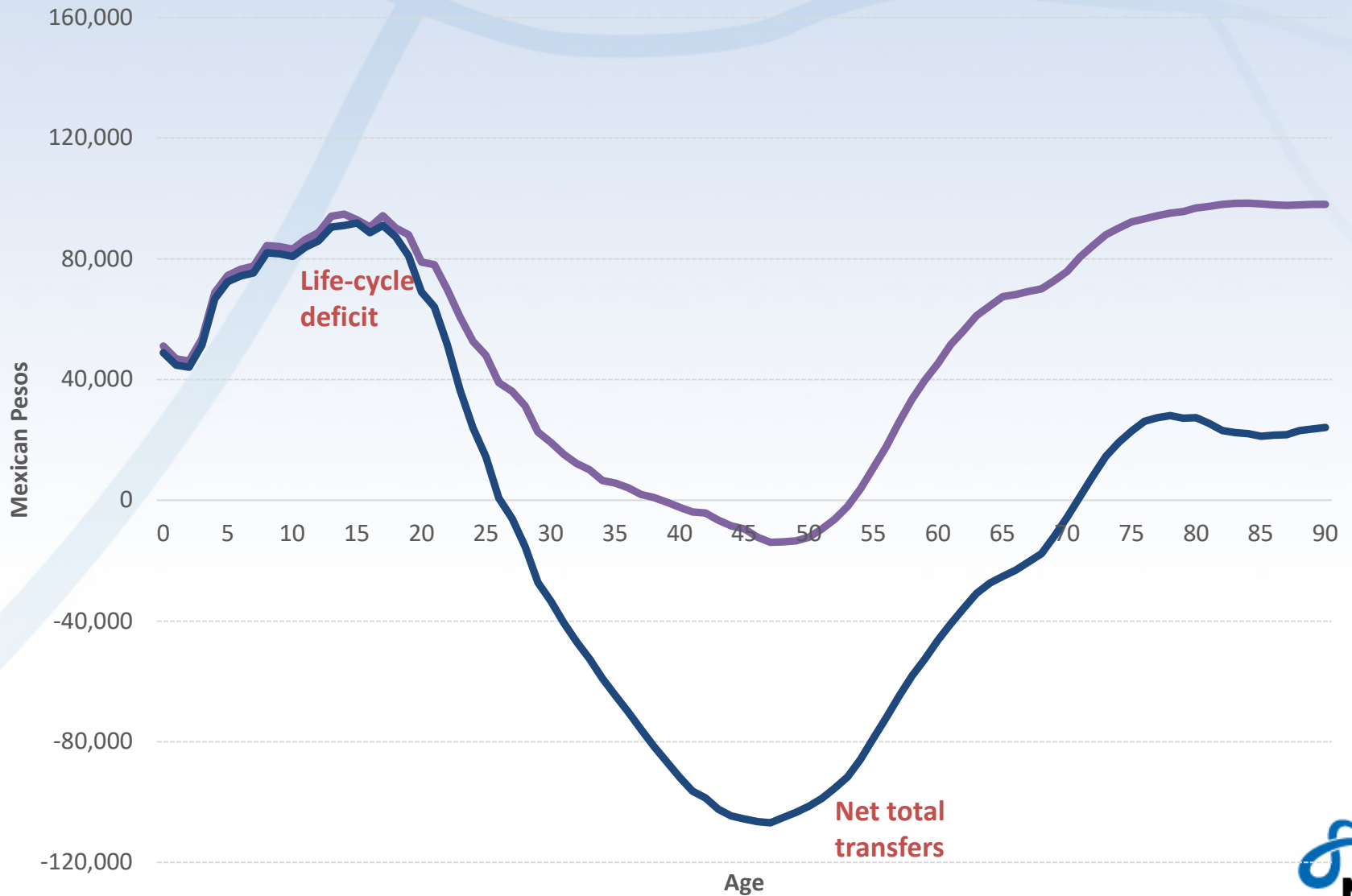
Economic Life-cycle Deficit

Mexico 2014



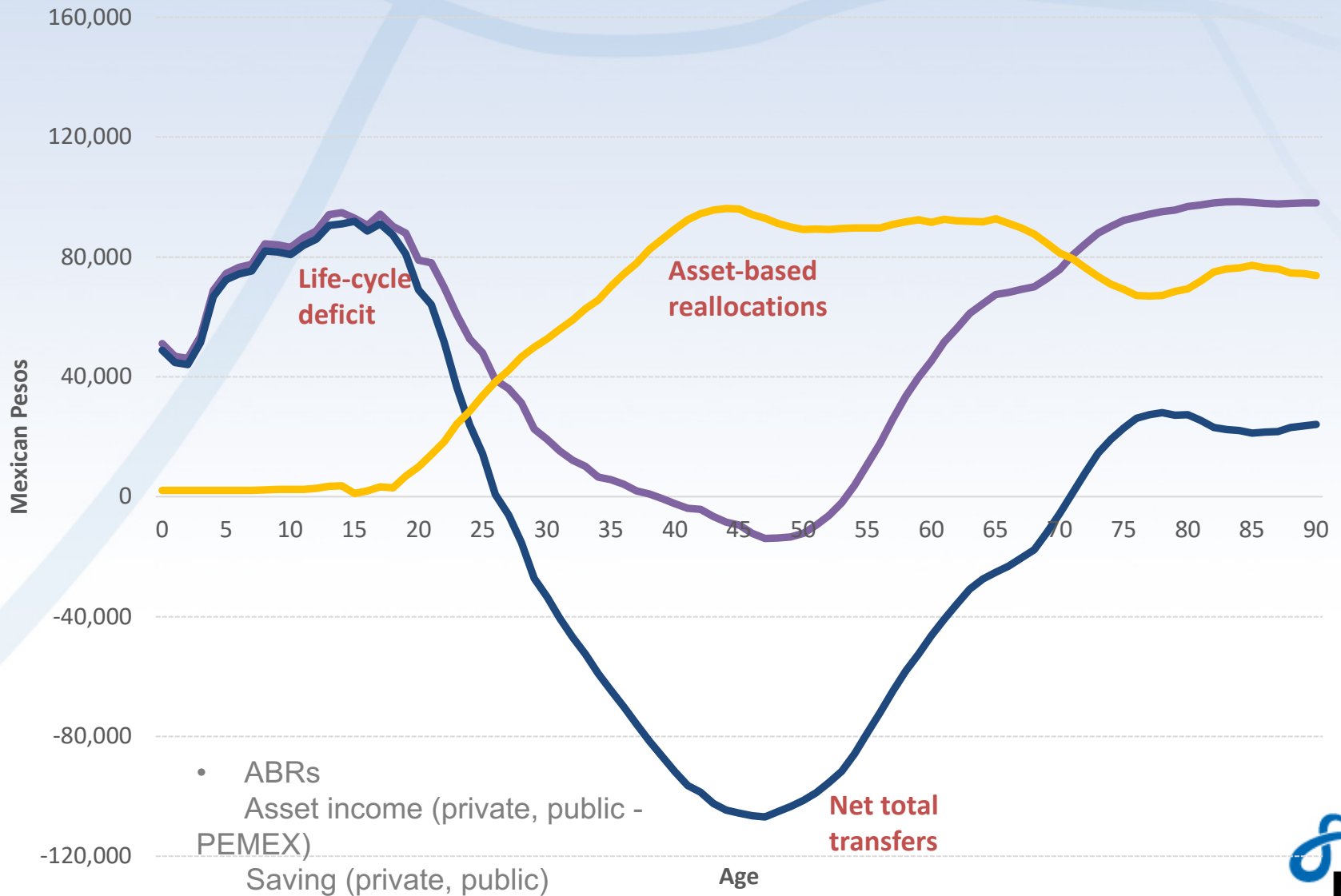
Economic Life-cycle Deficit

Mexico 2014



Economic Life-cycle Deficit

Mexico 2014

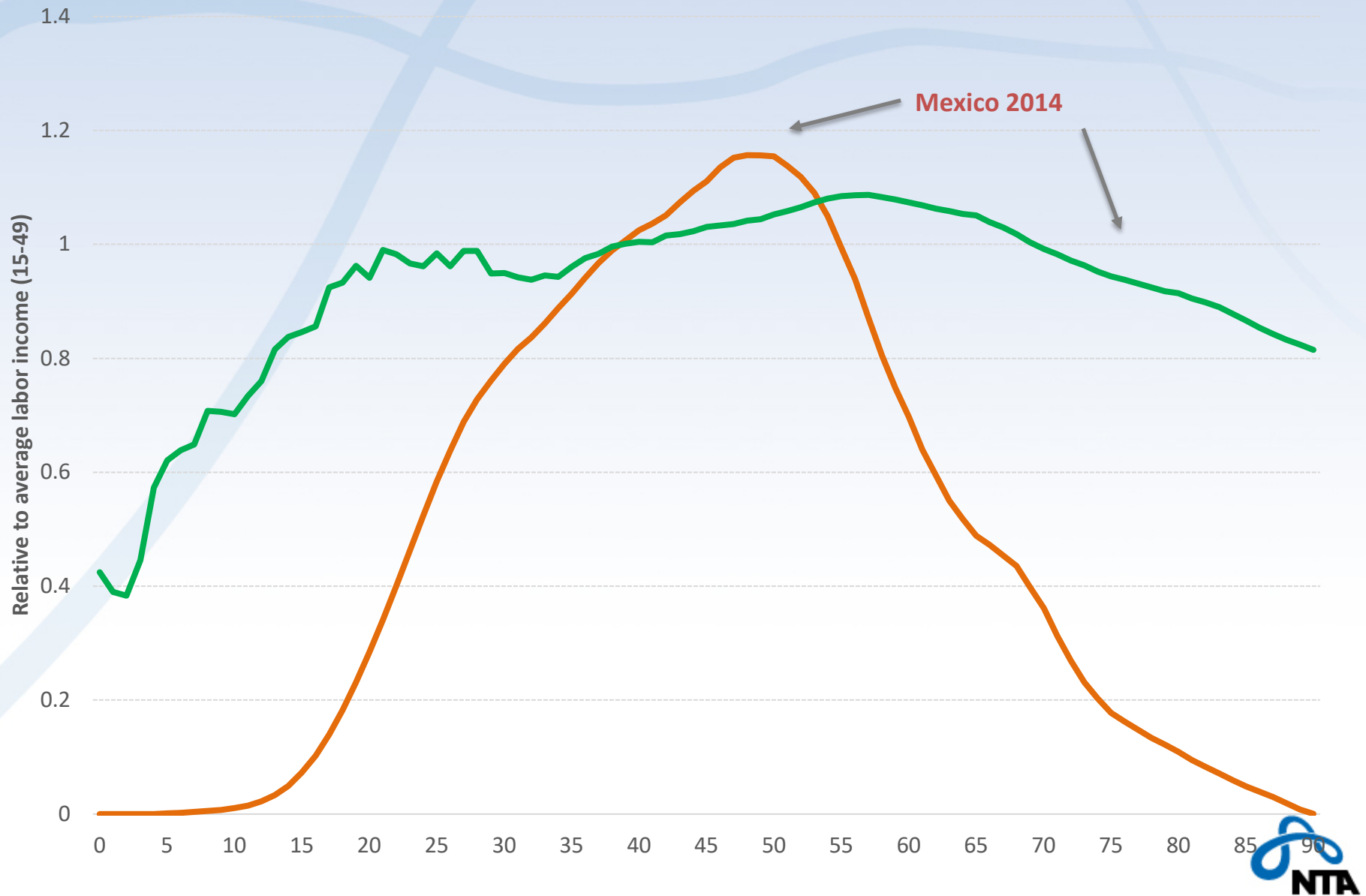


2. Policy Implications: Labor market

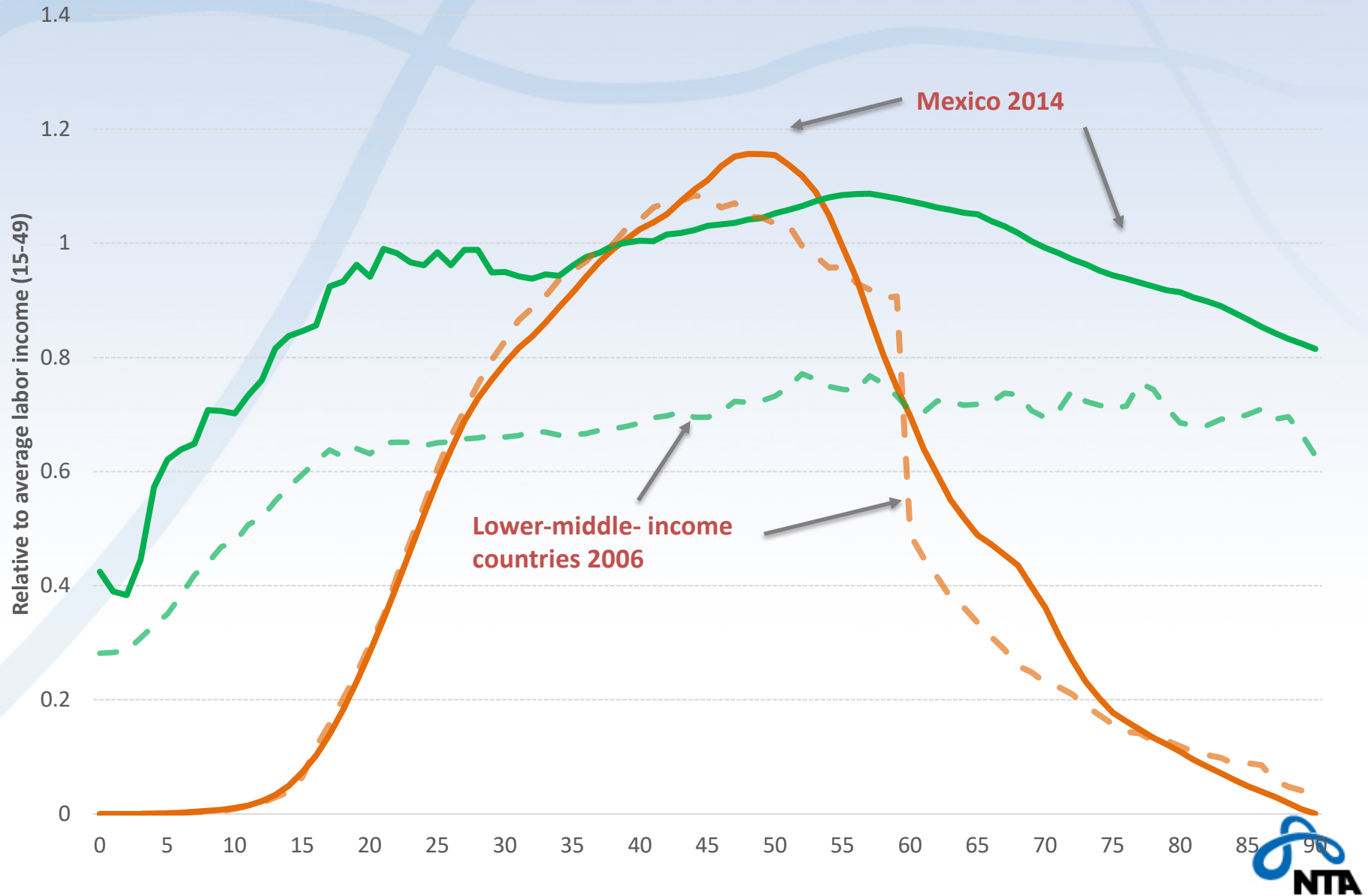
Sustainable Development Goals (Goal 8)

Promote inclusive and sustainable economic growth, employment and decent work for all

Labor Income and Consumption

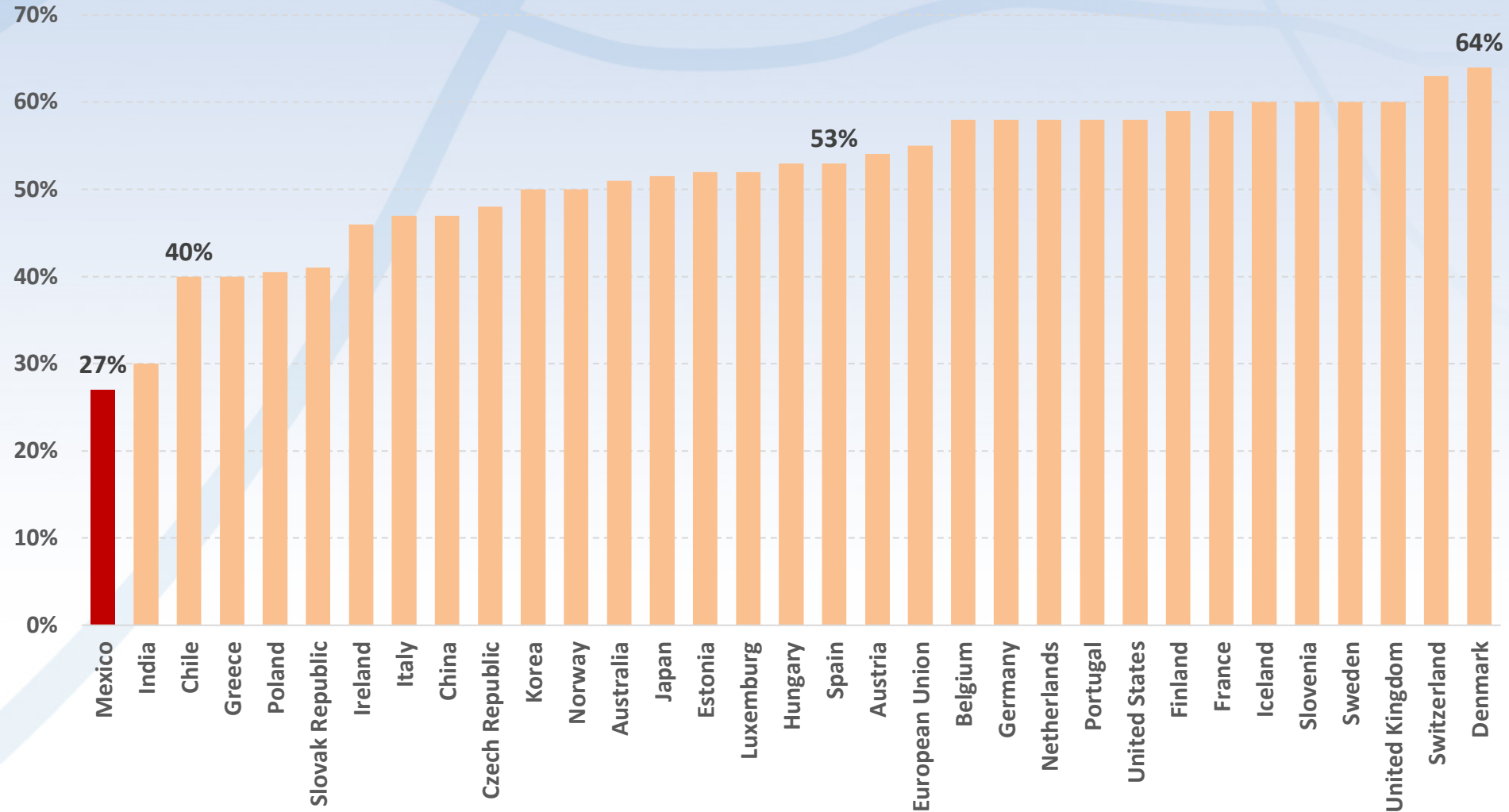


Labor Income and Consumption



Compensation of Employees relative to GDP

OECD* 2011

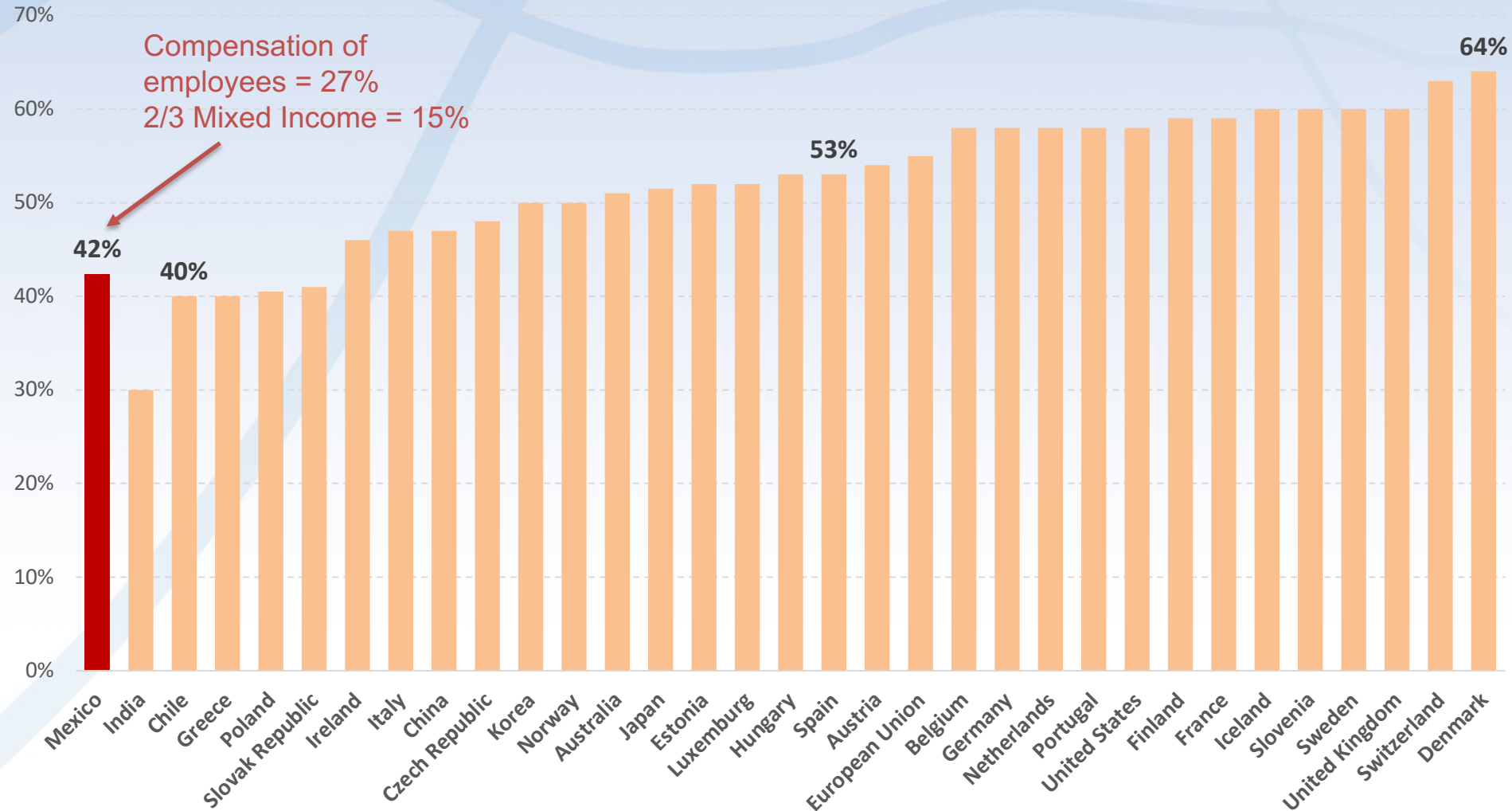


Source: Samaniego, 2014 with data from OECD.Stat



Compensation of Employees relative to GDP

OECD* 2011

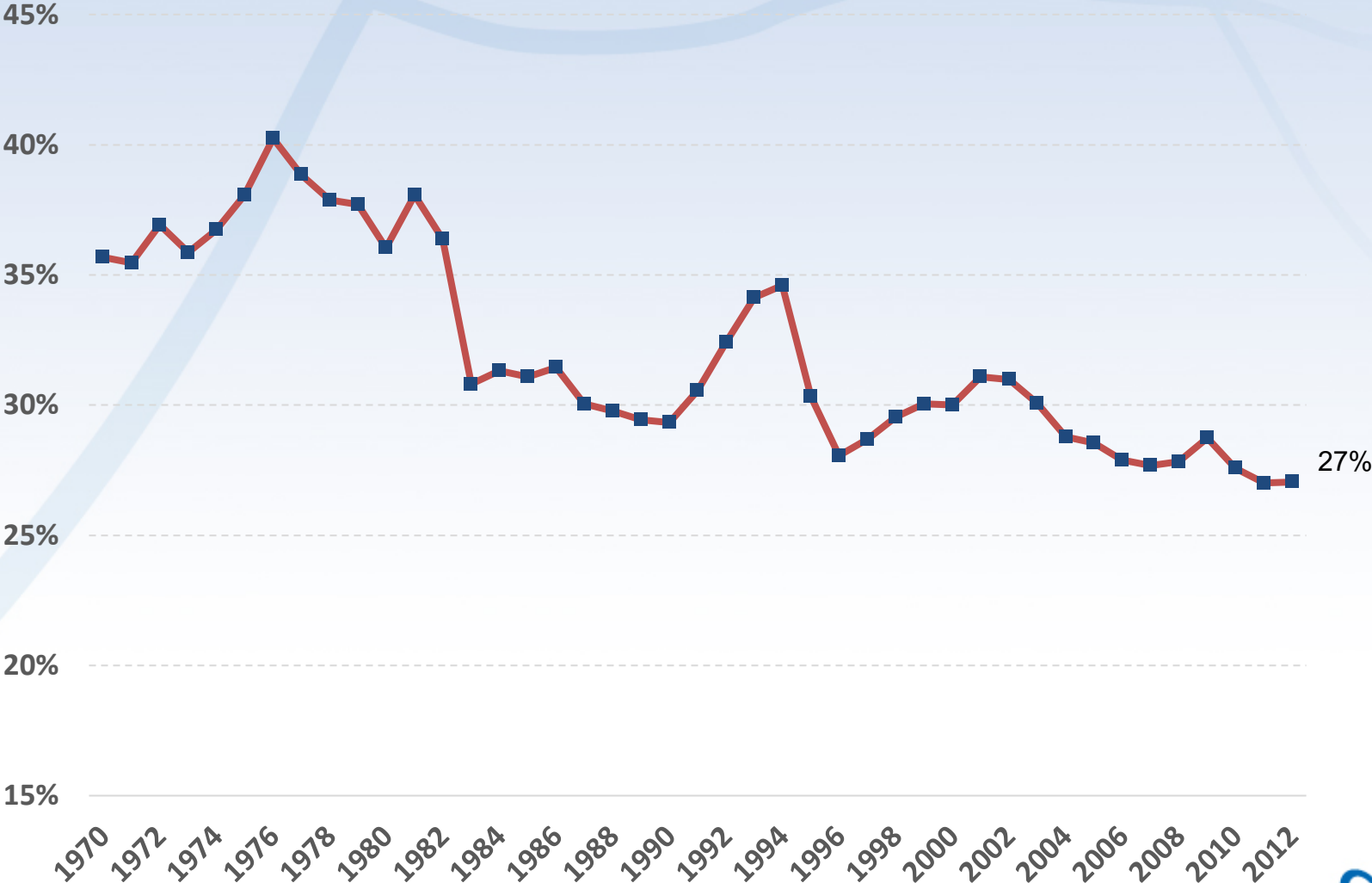


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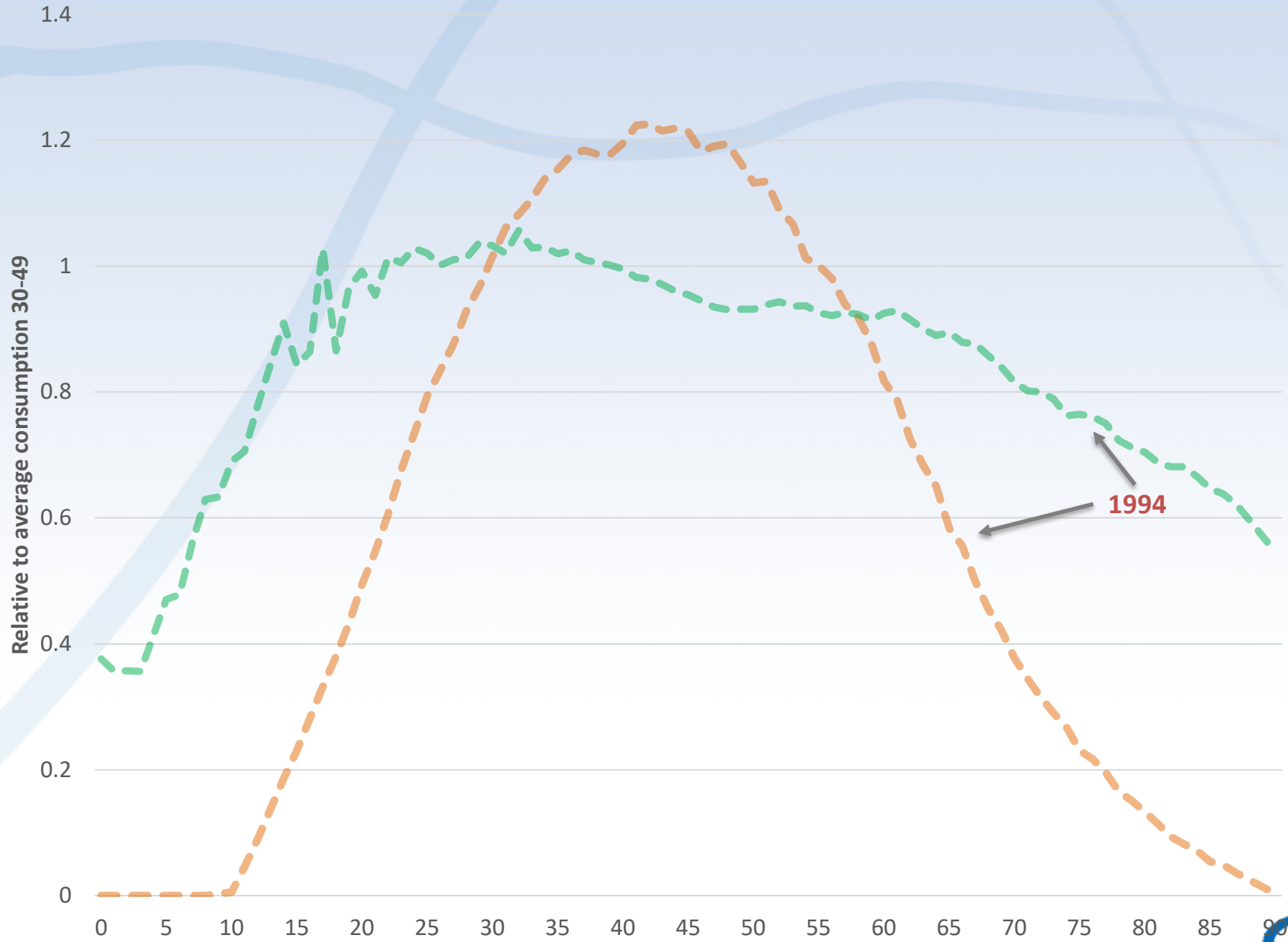
Mexico 1970-2012



Source: Samaniego, 2014 with data from OECD.Stat

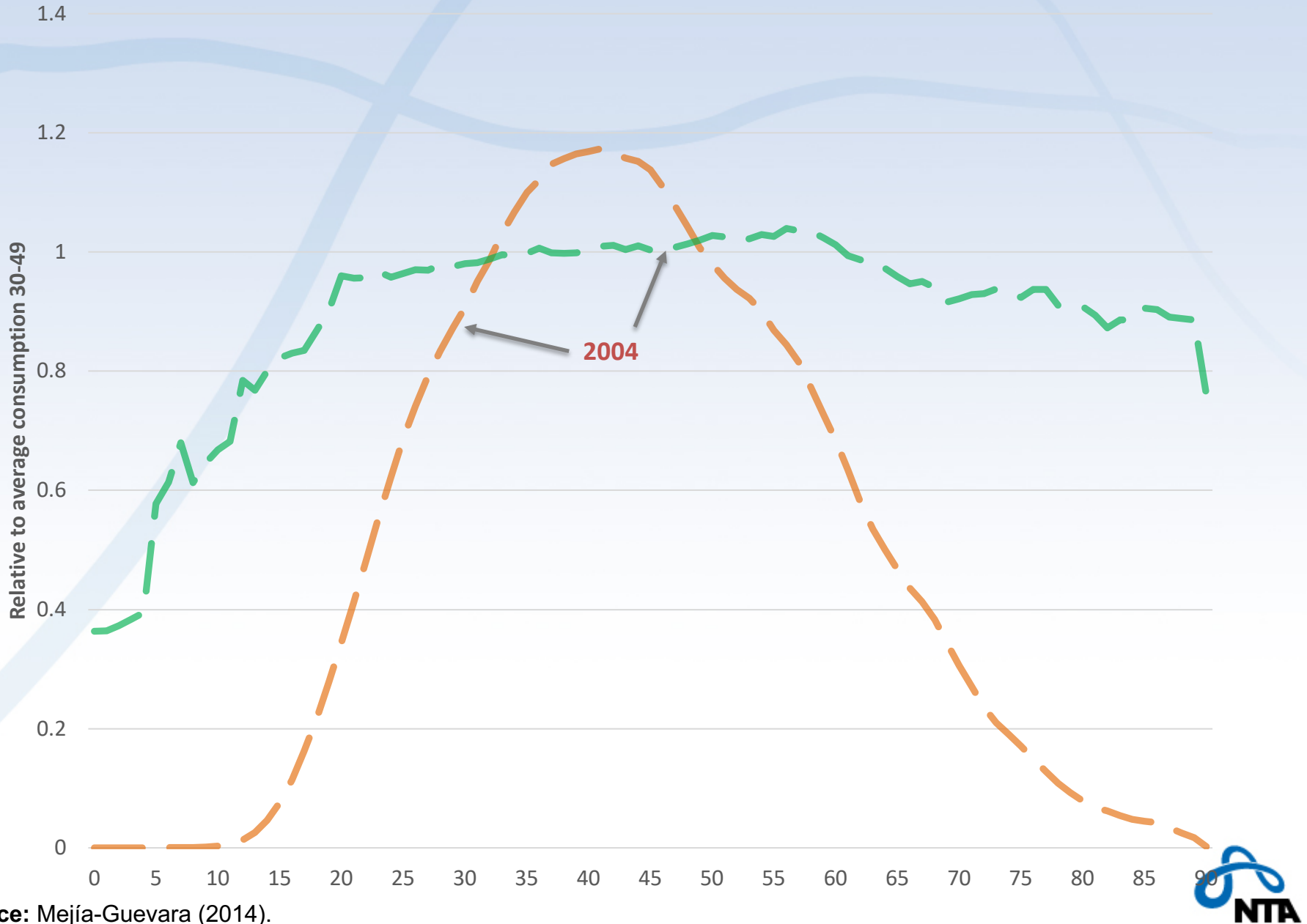


Labor income and consumption over time



Source: Mejía-Guevara (2014).

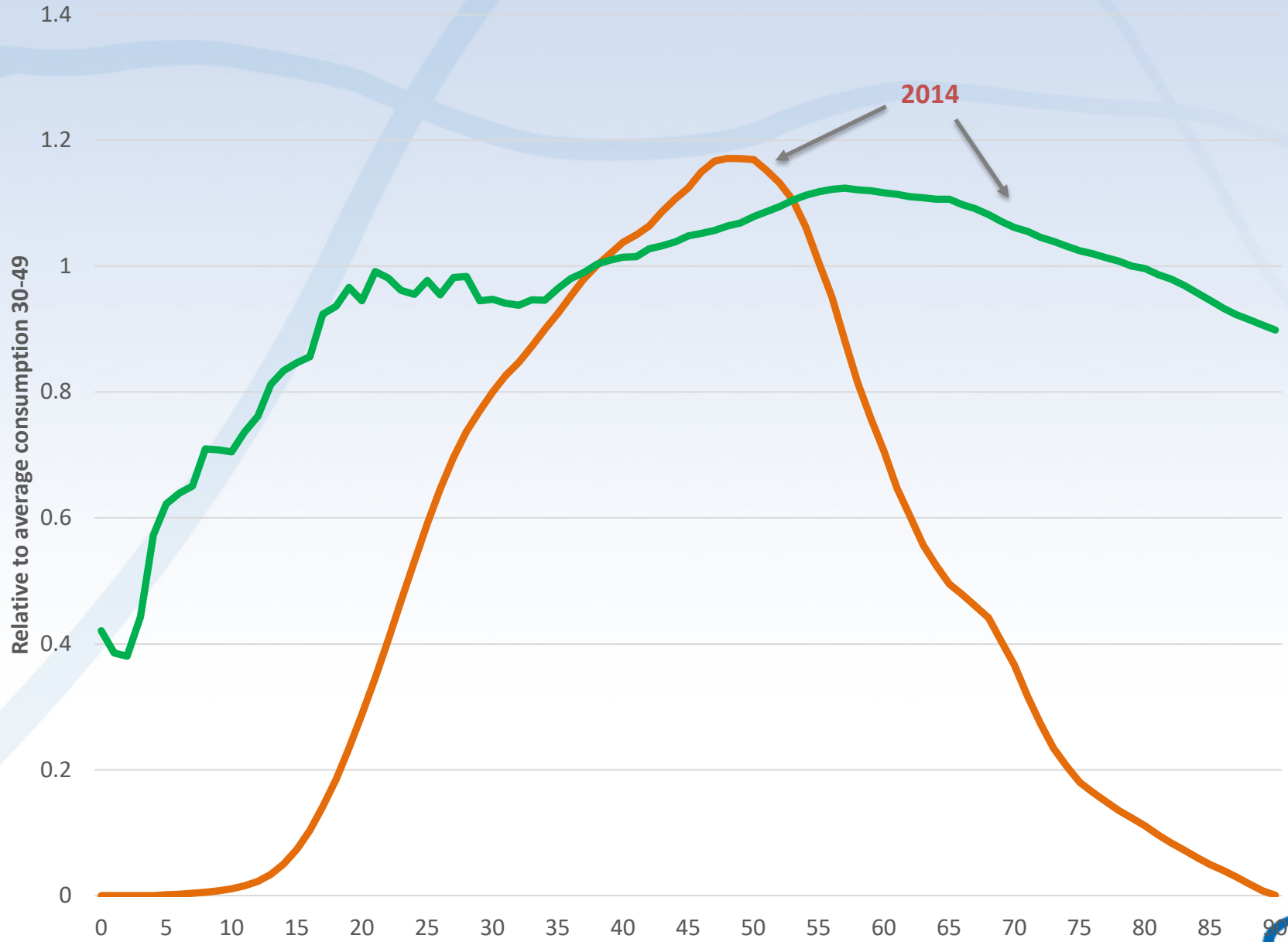
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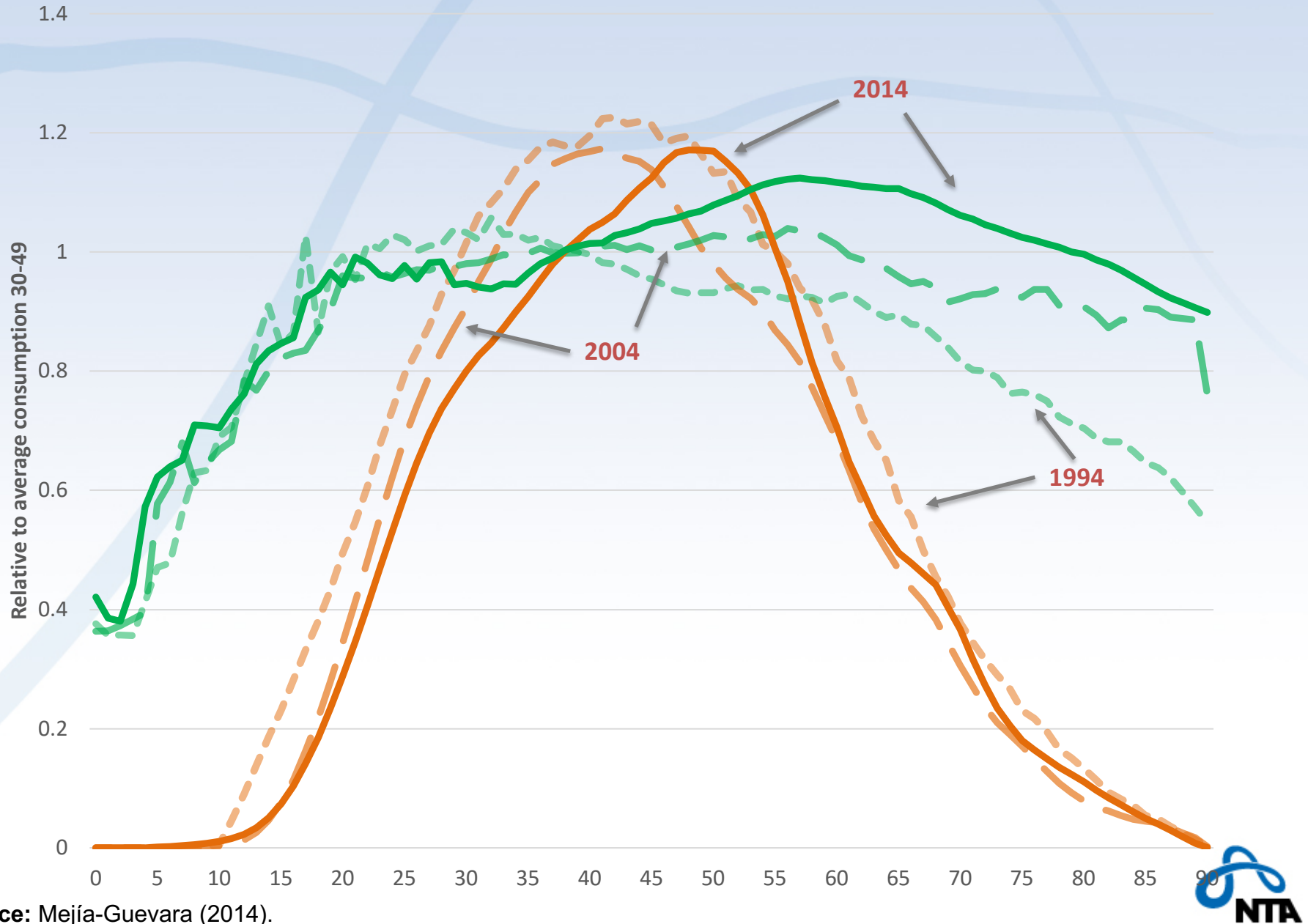


Labor income and consumption over time



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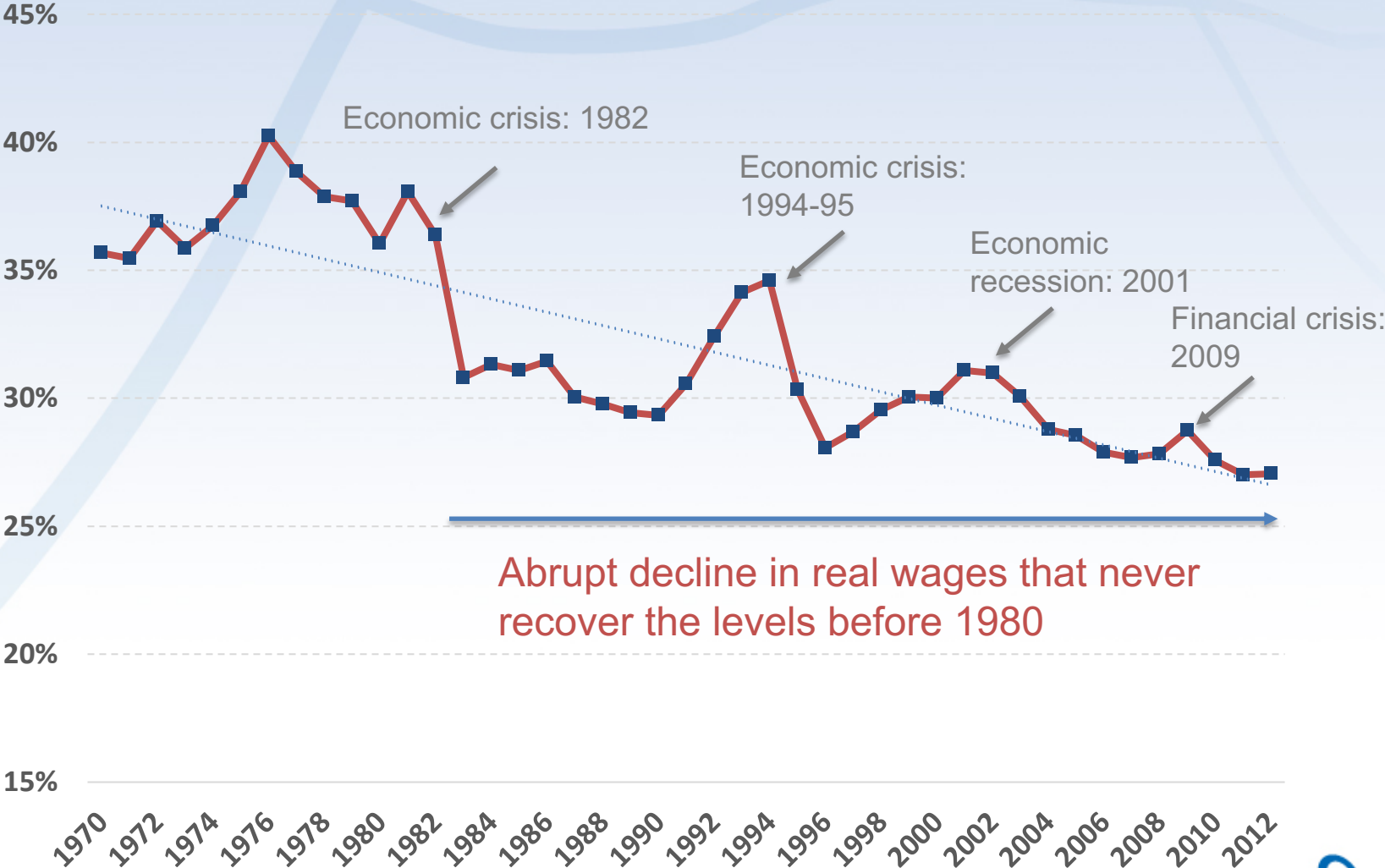


Source: Samaniego, 2014 with data from OECD.Stat



Compensation of employees relative to GDP

Mexico 1970-2012

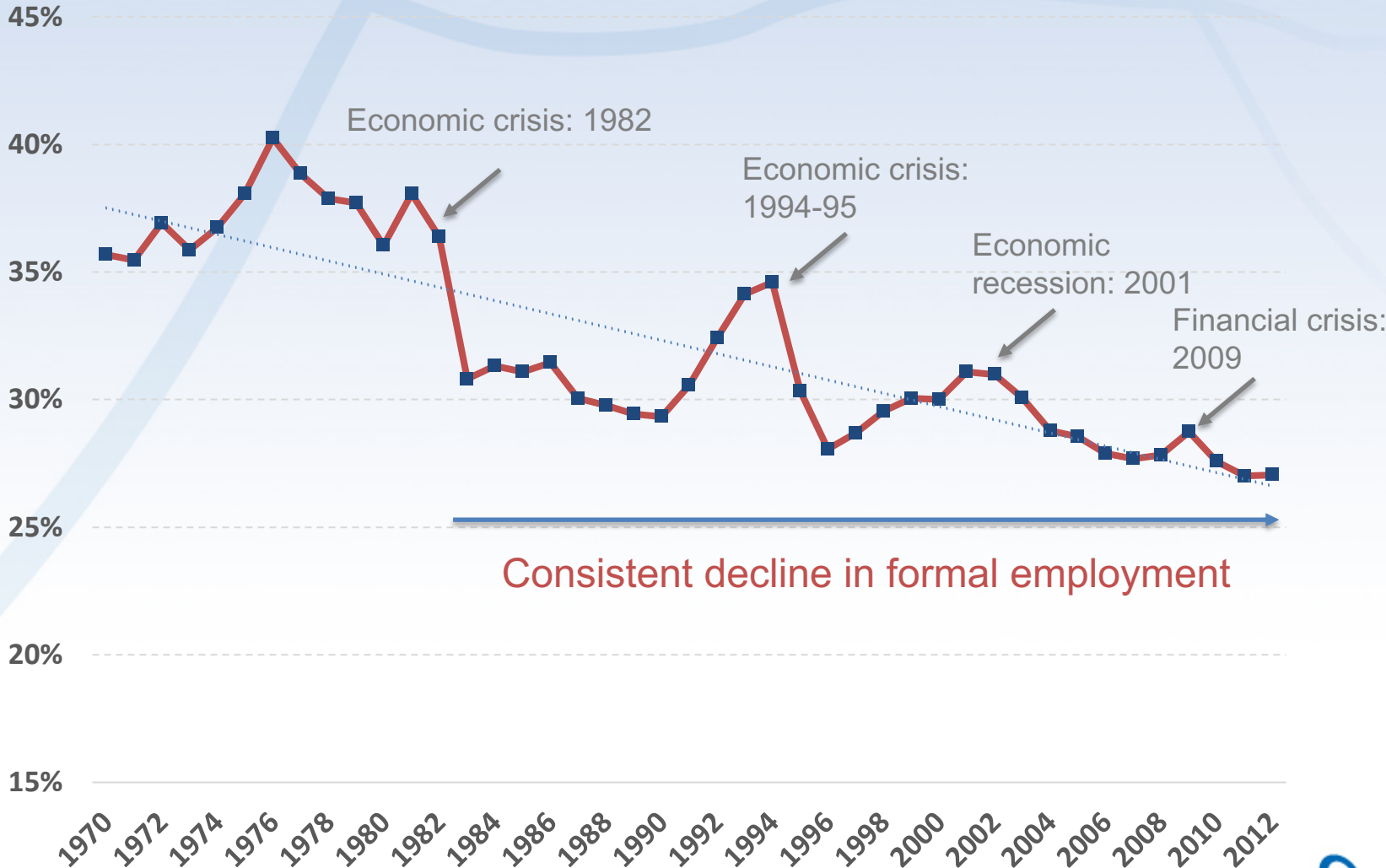


Source: Samaniego, 2014 with data from OECD.Stat



Compensation of employees relative to GDP

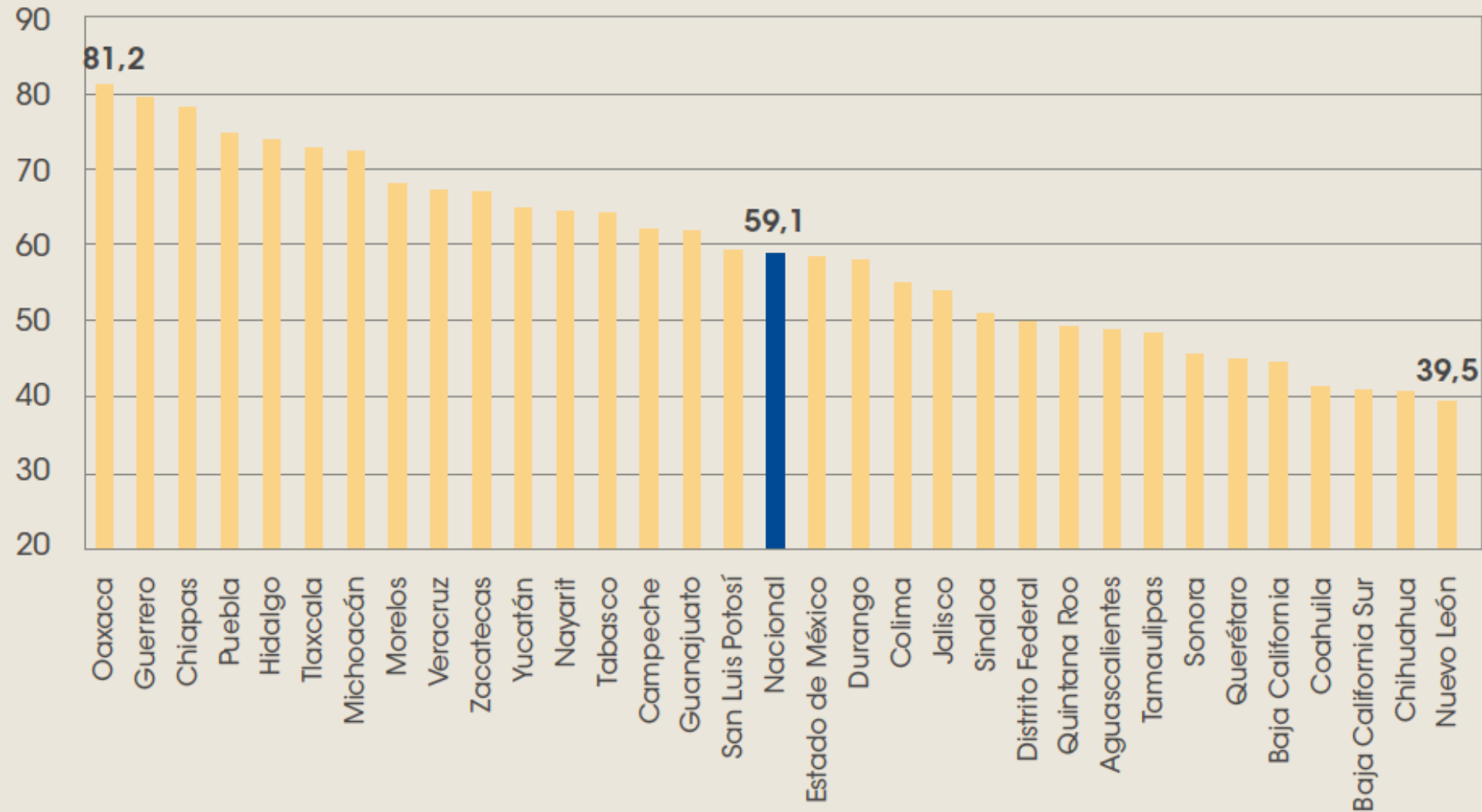
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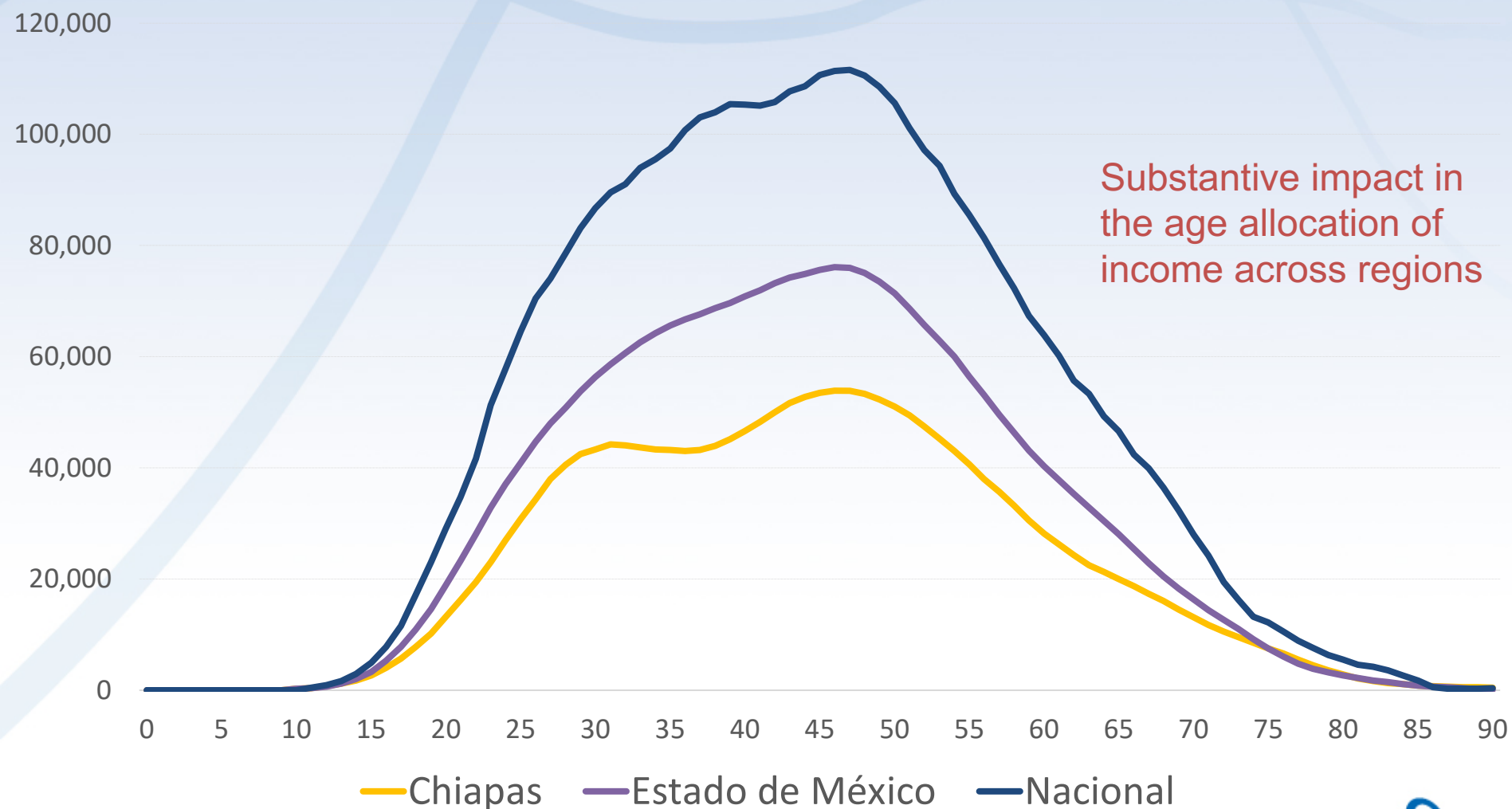


Informal employment / total employment 2013



In 2013, the informal sector is the main source of employment.

Regional differences in Labor Income (and consumption?)



Labor market is under constant pressure

- Significant increase in the size of the informal sector
- Young people looking for 'better' opportunities (abroad, violence)
- Stagnant productivity and unemployment
- Important increase in the number of young people who neither study nor work

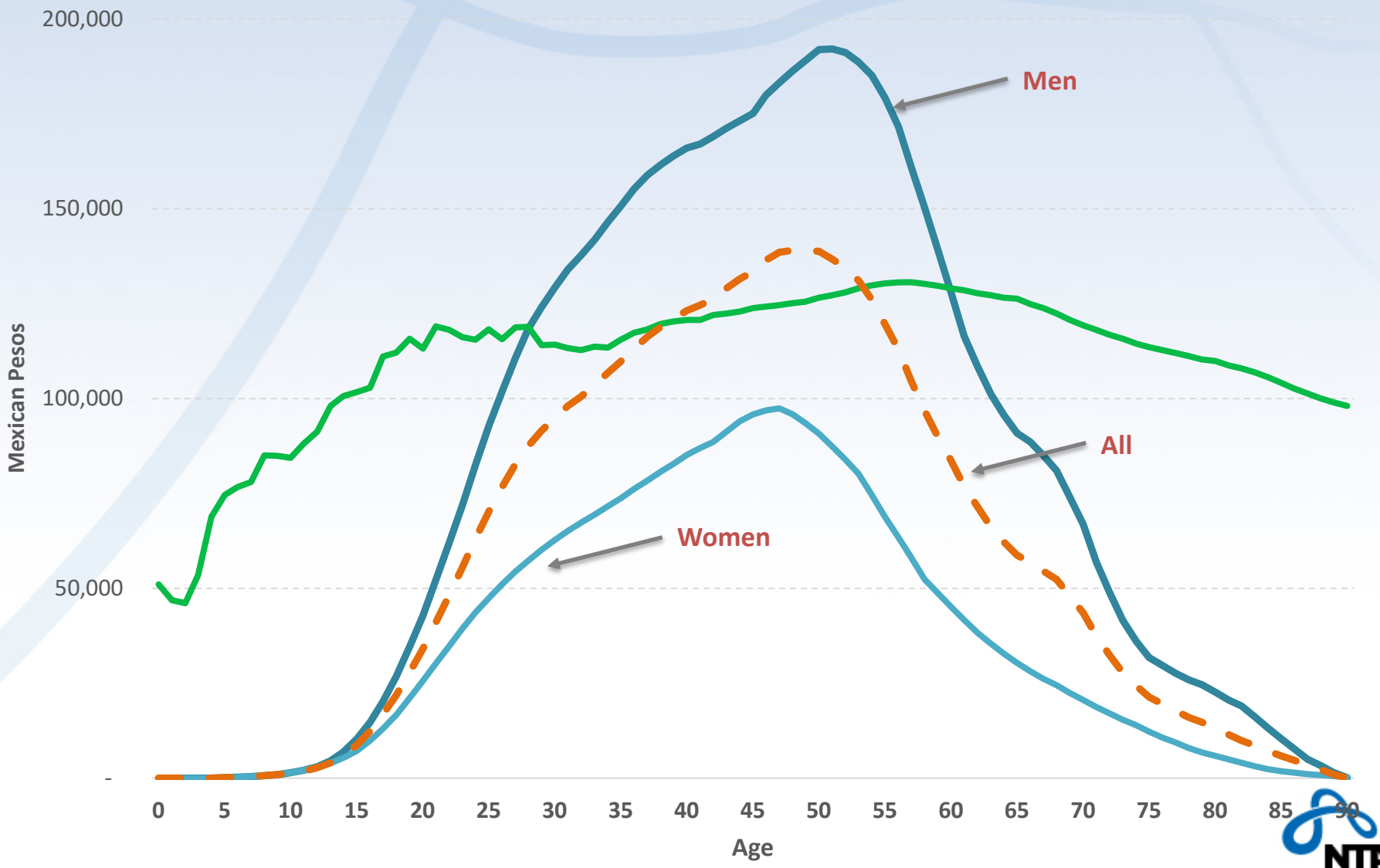
Policy challenges

- New policies oriented to attract workers and business into the formal economy
- Strengthening of productive investment in areas of higher value-added sectors
- Educational expansion
- Insertion in the global economy that generates growth and redistribution at the same time

3. Additional considerations: Inequalities

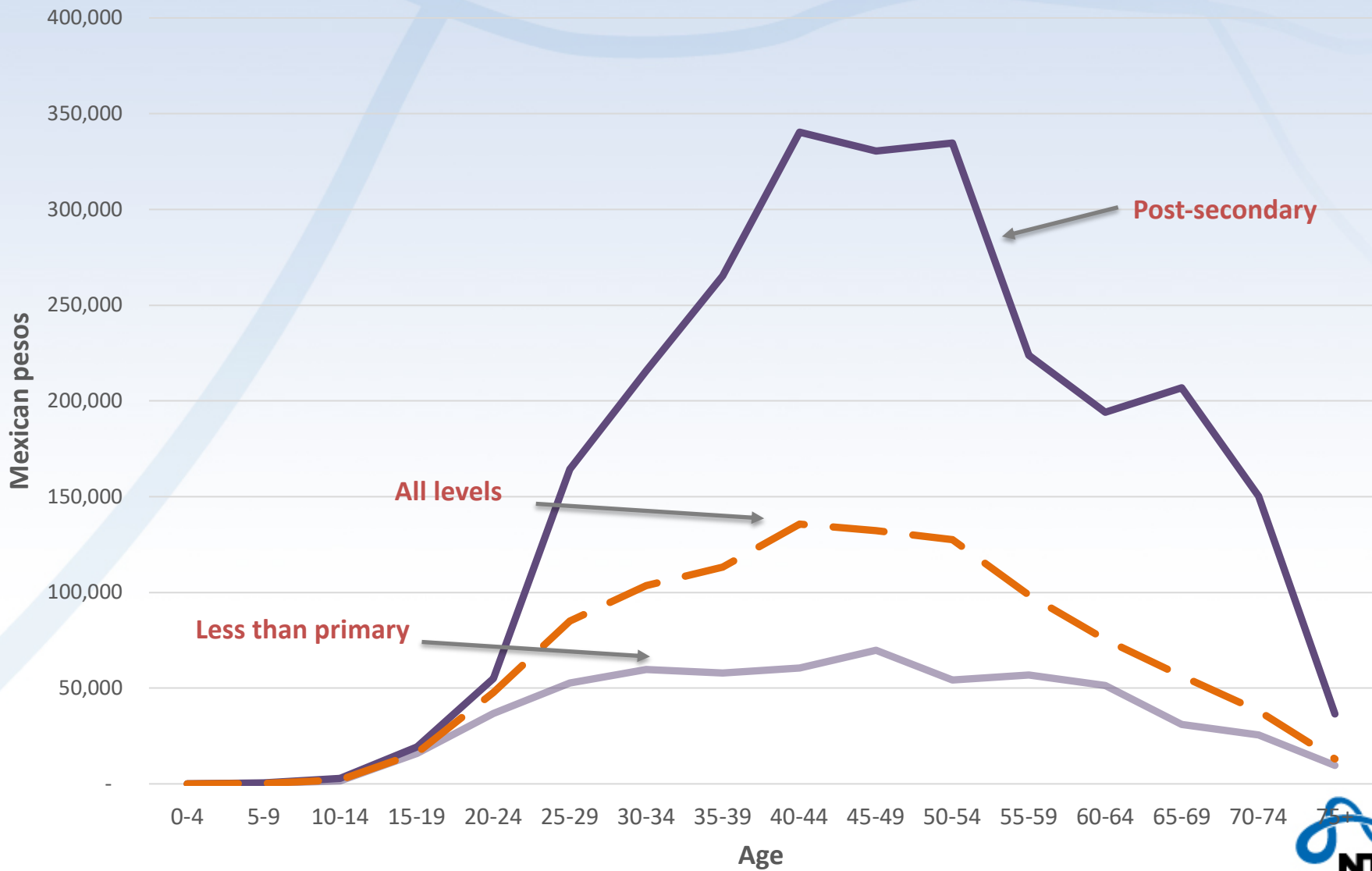
SDG 5: Achieve gender equality and empower all women and girls

Mexico 2014



SDG 10: Reduce inequality among and within countries

Mexico 2014



Thank you