

Abstract for “Poverty transitions and vulnerability: Mexico 2006-2010”

Víctor Hugo Pérez (University of Essex, UK)

Isidro Soloaga (Universidad Iberoamericana, Mexico)

Following recent developments made by Lanjouw and collaborators, this paper presents an application of transition analysis for years 2006-2010 for the case of Mexico. The paper found that between 27.2% and 32.2% of the Mexican population could be considered as chronically poor (Tpp), and that between 42.3% and 47.1% could be considered as sustainable not poor (Tnn). In turn, between 11.9% and 15% could be considered in a downward mobility (Tnp) phase (that is, entering poverty), whereas between 9.9% and 12% could be considered in an upward mobility (Tpn) (leaving poverty). The analysis performed allows us to characterize these four groups and derive policy recommendations. First, results confirm the high degree of polarization of the Mexican society, since the population in Tnn has absolute no resemblance to the population in Tpp. Furthermore, it was found that, while the population in Tnp and Tpn are very similar in the majority of variables analyzed (education, employment, family composition, etc.), the main difference is that it is the lack of access to proper safety nets that renders the population in Tnp vulnerable to health and labor market shocks and dragged it again into a situation of poverty. In turn, populations in Tnp and Tpp are only similar in this lack of access to health and to social security (and different in several other aspects, like education, employment, family composition, etc.). All of these seem to imply that, while almost a third of Mexican population has no means to pull itself out of poverty, another 25% is vulnerable to poverty, in particular, that part that has no access to health or social security.