

Abstract for “Labor Vulnerability and the Evolution of the Working Poor in Mexico”

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This paper addresses changes in labor poverty and labor income at the household level during a period of time characterized by a macroeconomic shock with higher unemployment and lower real wages. Using data from the employment surveys (ENOE) for 2005 and 2010, and with matching for time invariant characteristics, we create a group of comparable households for 2005 to overcome the lack of longer panel data. We applied a probabilistic model for labor poverty, a multinomial for changes in poverty between 2005-2010 and regression for labor income. Results show that social security in the job plays a key role in preventing labor poverty and increasing labor earnings. In the time span households needed to increase their share of earners in order to prevent poverty and decreasing income. Education is mostly relevant for urban areas, but high school and college workers have seen falling their income relatively more.