

NAFTA + 20:

*An Assessment of
Intended and Unintended Effects*

**Patterns of Inequality Within and Between
Mexico, USA & Canada**



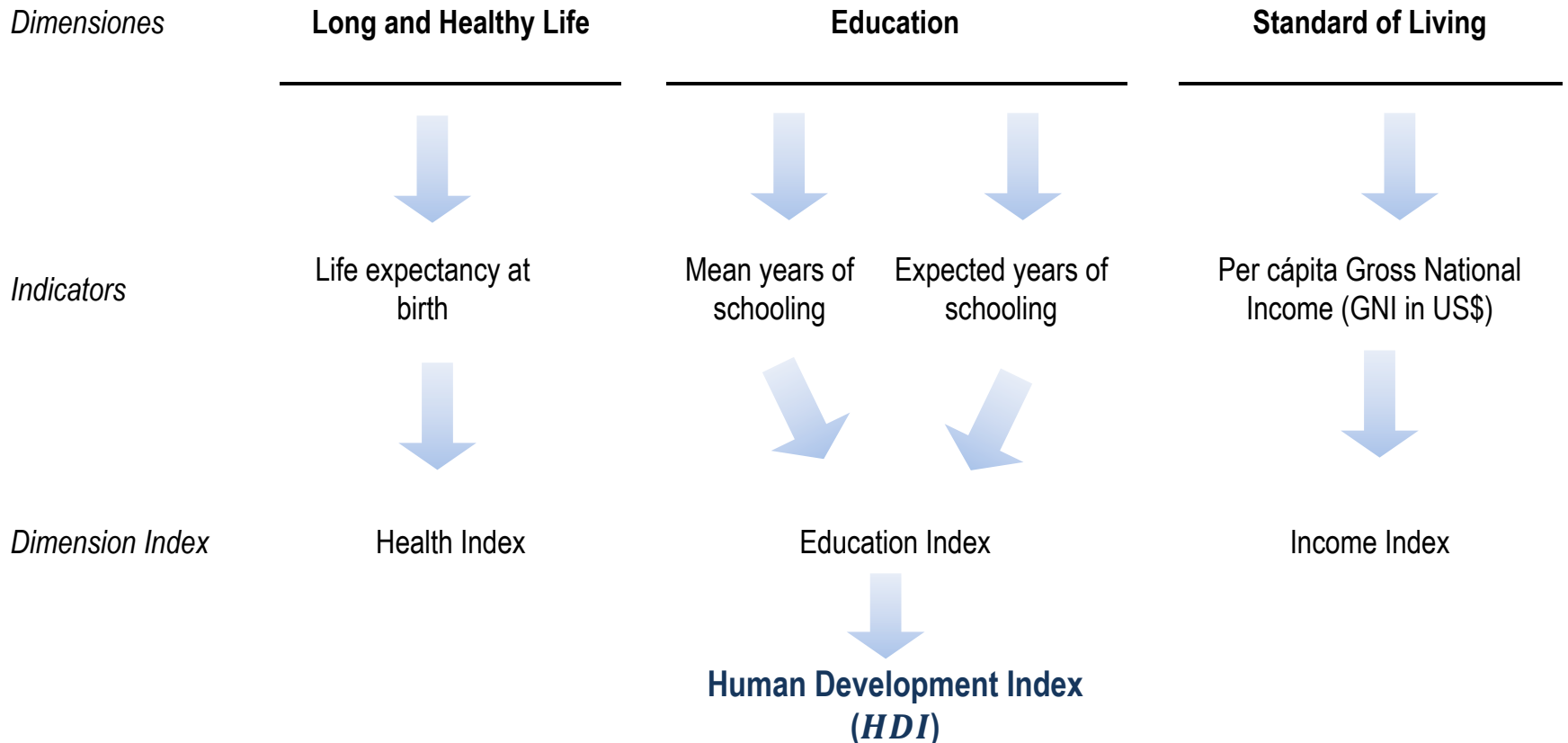
Using HDI

Why use the Human Development Index (HDI) to assess Mexico's progress during 20 years of NAFTA?

- It is difficult to assess how much NAFTA has affected jobs, salaries, well-being, etc...
- HDI goes beyond macroeconomic indicators because it is a composite measure of health, education and income. It is an alternative to GDP growth. (UNDP 2013)
- It helps comparisons within and between countries.
- Development, however, is more complex than HDI indicators. For example, HDI does not reflect political participation or gender inequalities.

Composition of HDI

The Human Development Index combines indicators of life expectancy, educational attainment, and income creating a more robust indicator for development.



Mexico's HDI Growth

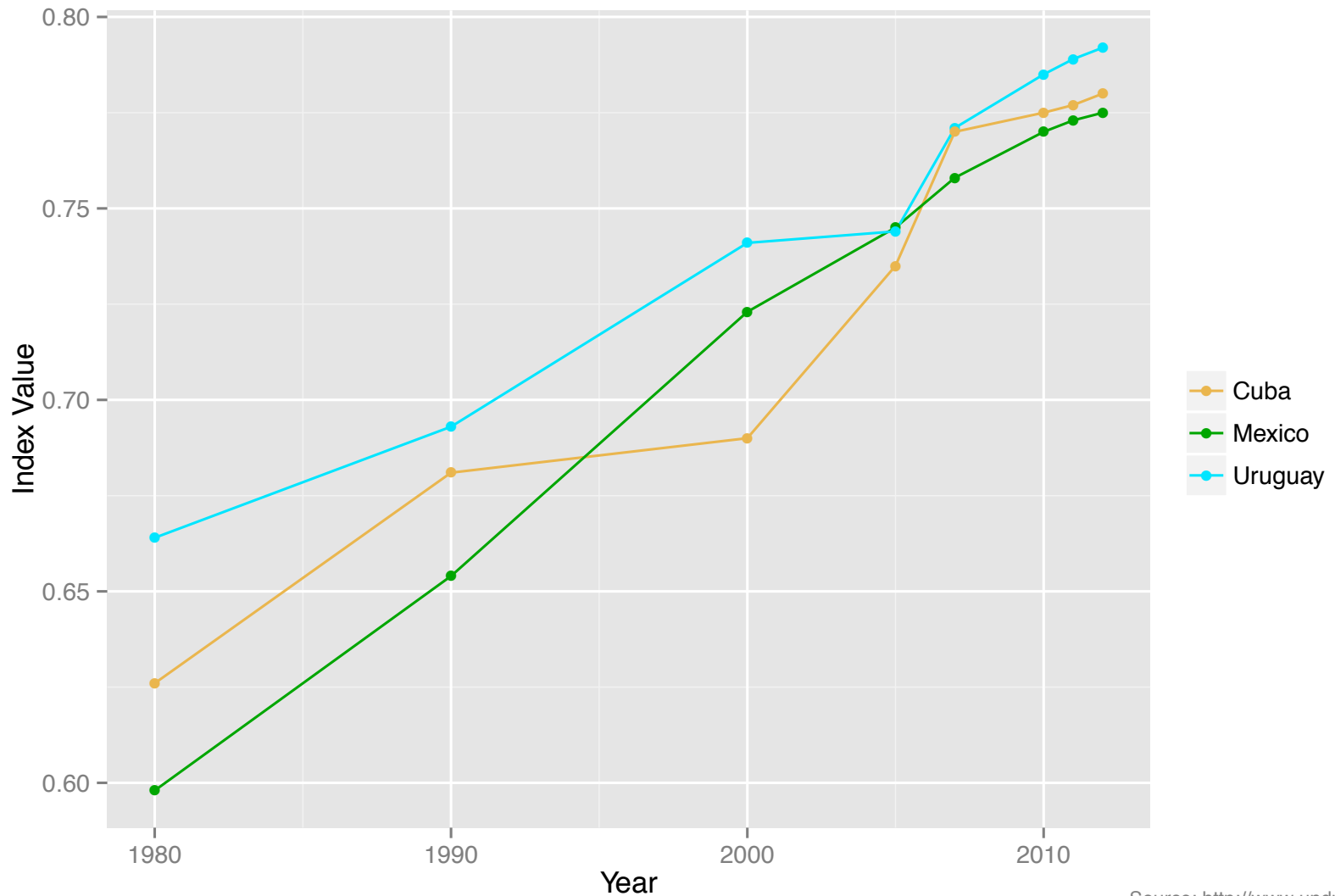
Mexico's HDI has grown since the 1980s, although larger growth rates can be perceived since 1990s (NAFTA, democratic transition, ...).

Since 2000, growth has been slower.

	1980/1990	1990/2000	2000/2010	2000/2012
HDI annual average growth rate	0.89	1.00	0.64	0.59

Mexico's HDI Growth Compared

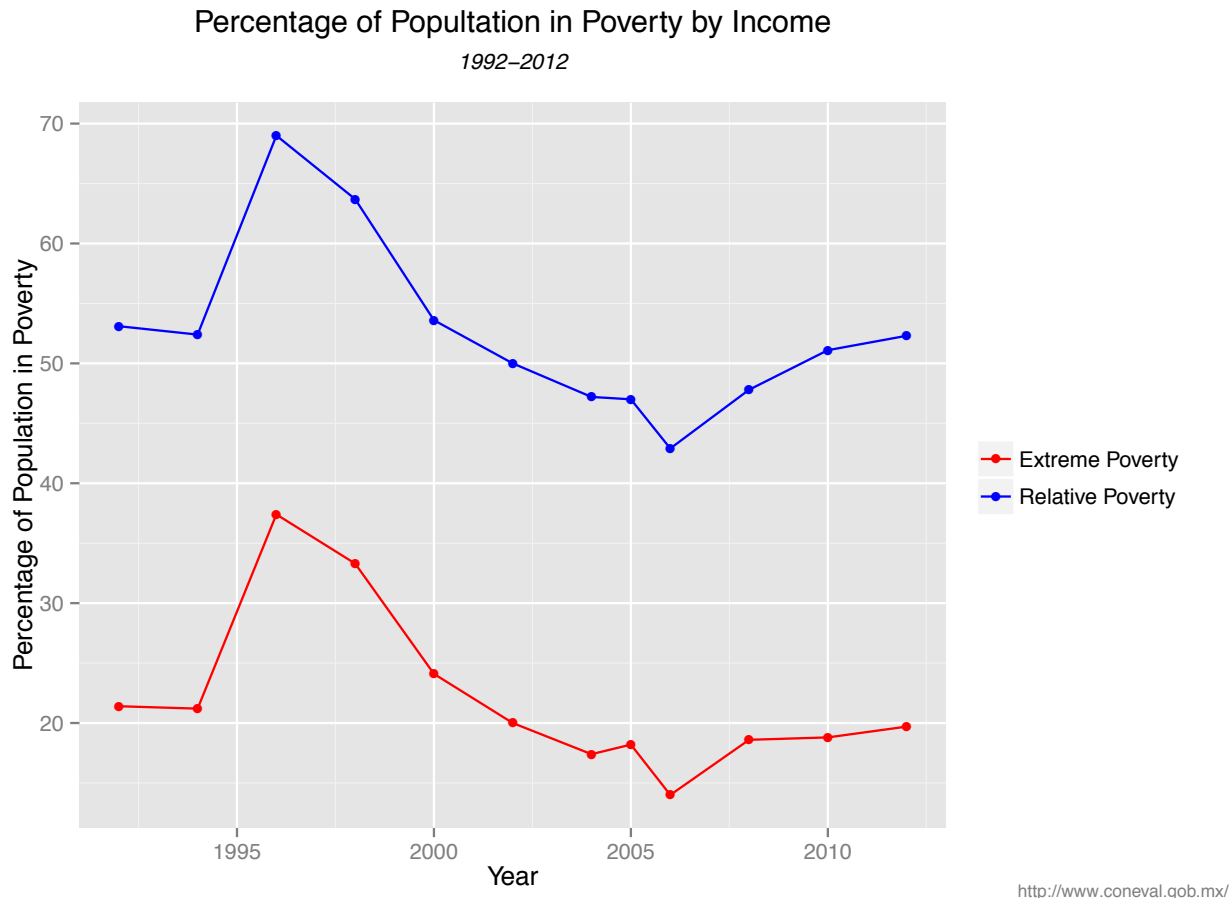
Human Development Index
1980-2012



Mexico's Poverty Rate

After rising precipitously, the percentage of people in extreme poverty measured by income has diminished to levels similar to 1994.

NAFTA appears to have had little effect on the lowest parts of the pyramid.

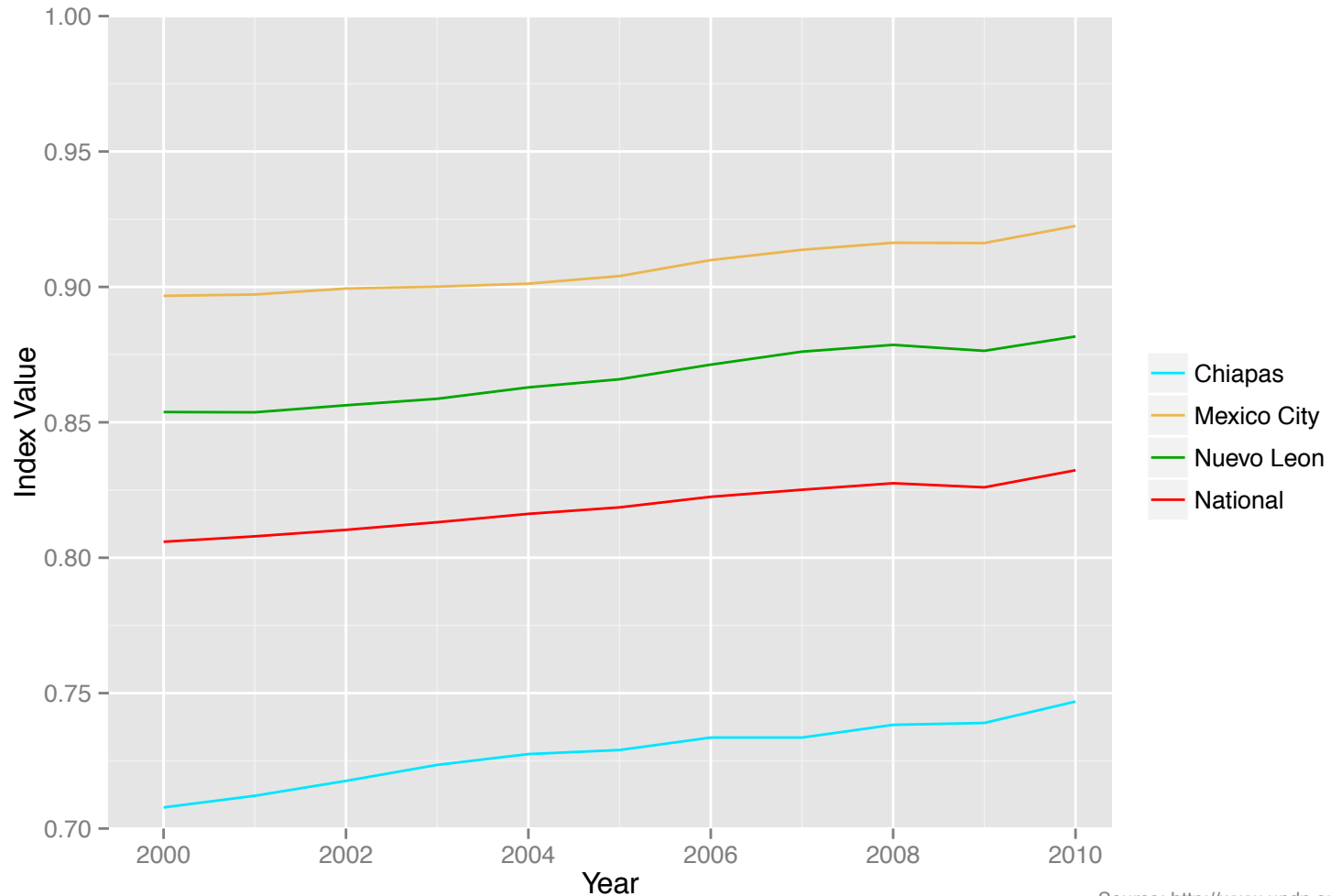


Variation in HDI by States

HDI varies widely within Mexico. Even at state level there are great differences. Chiapas shares an HDI with countries such as Iran or Peru; in contrast, Mexico City is close to Germany, Netherlands and the US.

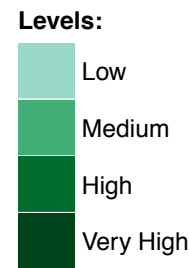
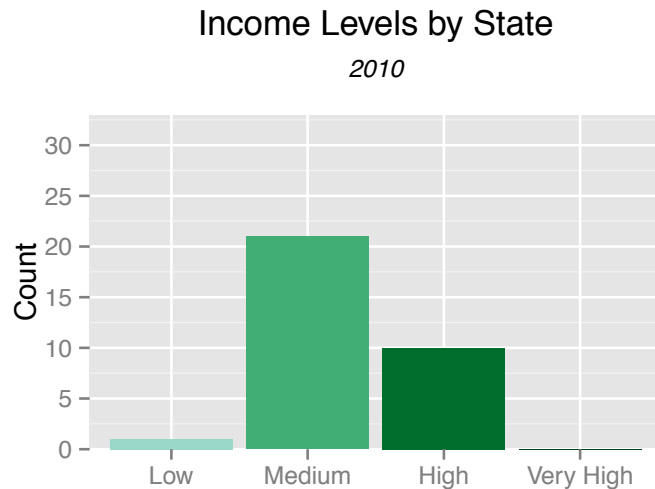
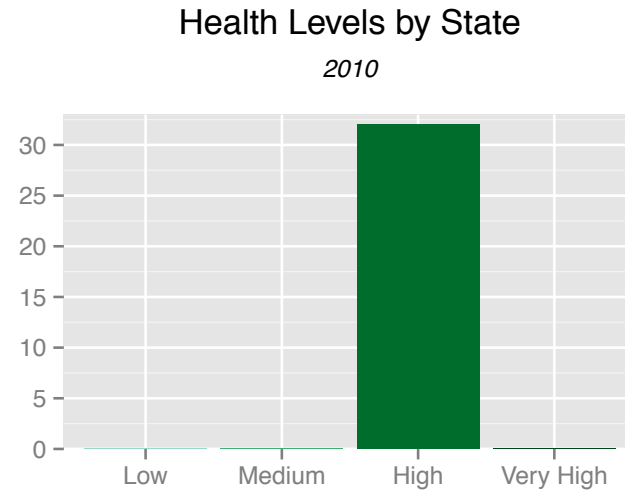
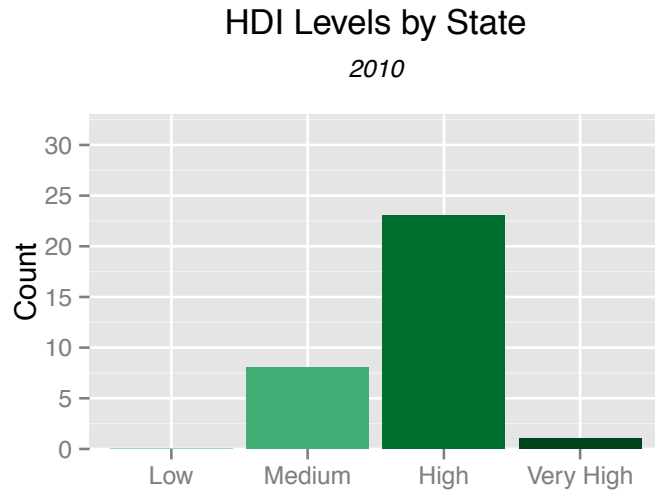
Human Development Index in Mexico

Estimation Based on Past Methodologie: 2000–2010



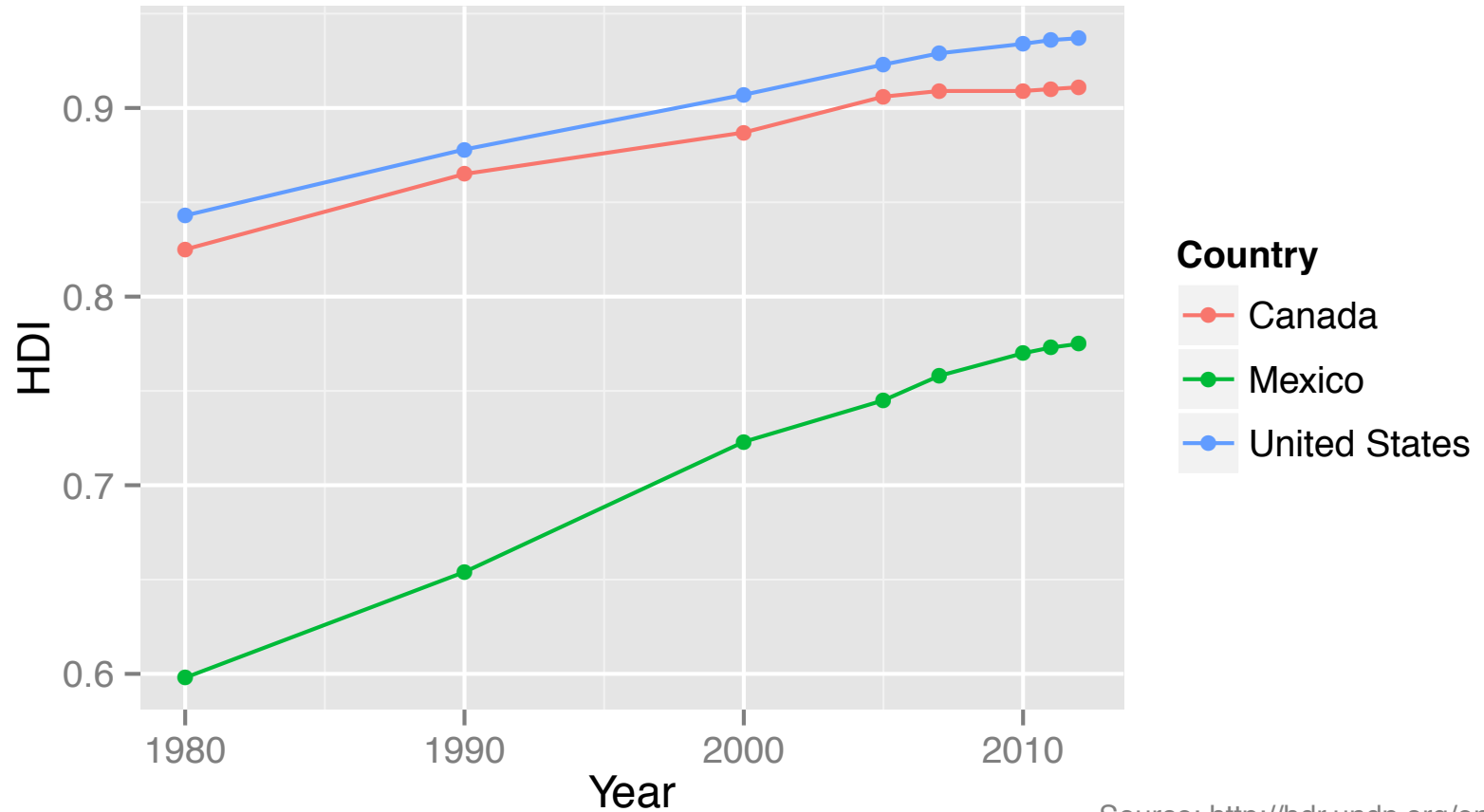
Variation in HDI

Today, 8 out of 32 federal entities are in “Medium” HDI levels, 23 are in “High” HDI levels and only Mexico City is in “Very High” levels



Variation in HDI, by Country

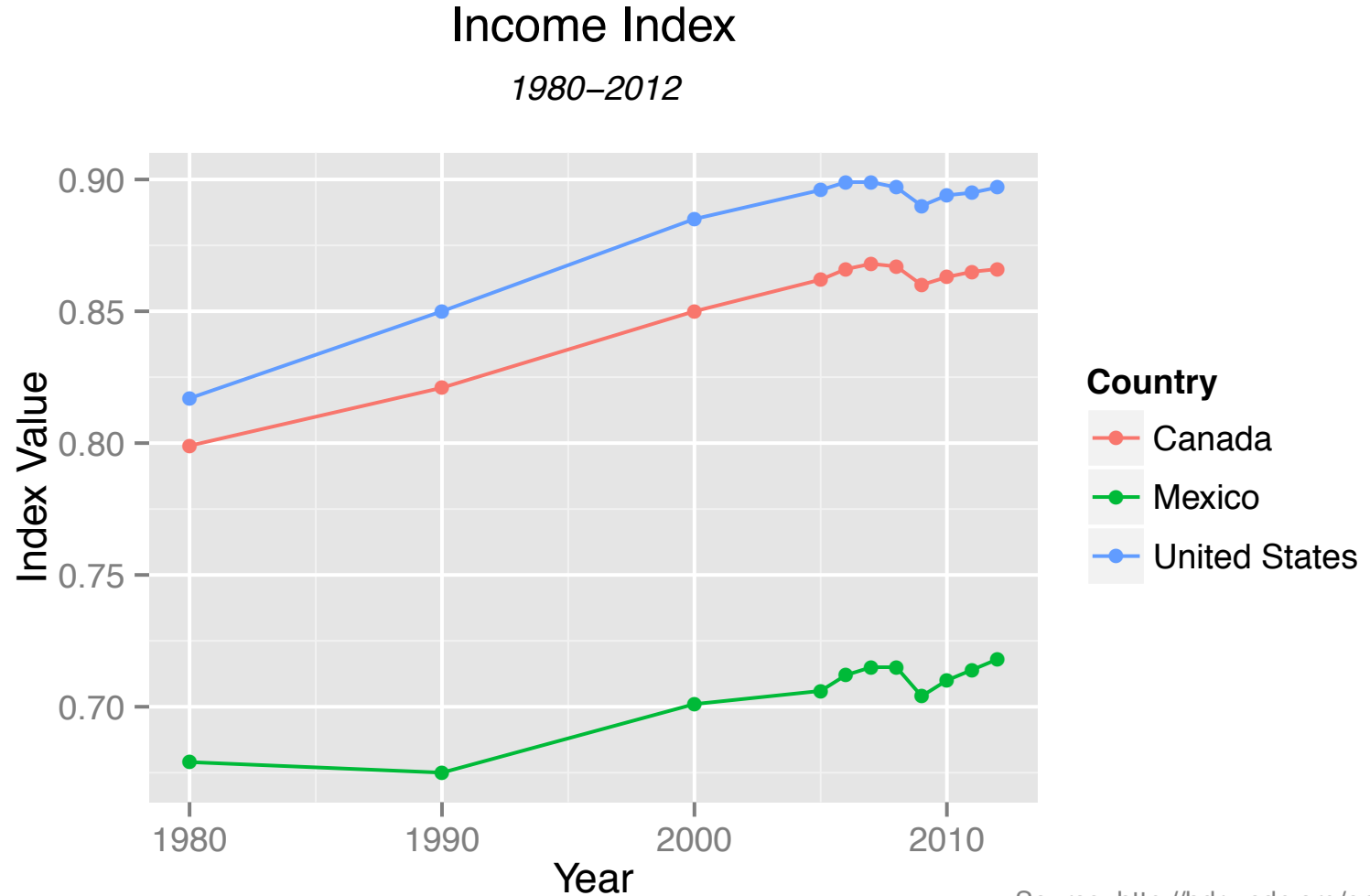
Human Development Index
1980–2012



Source: <http://hdr.undp.org/en/data>

Income Variation in HDI, by Country

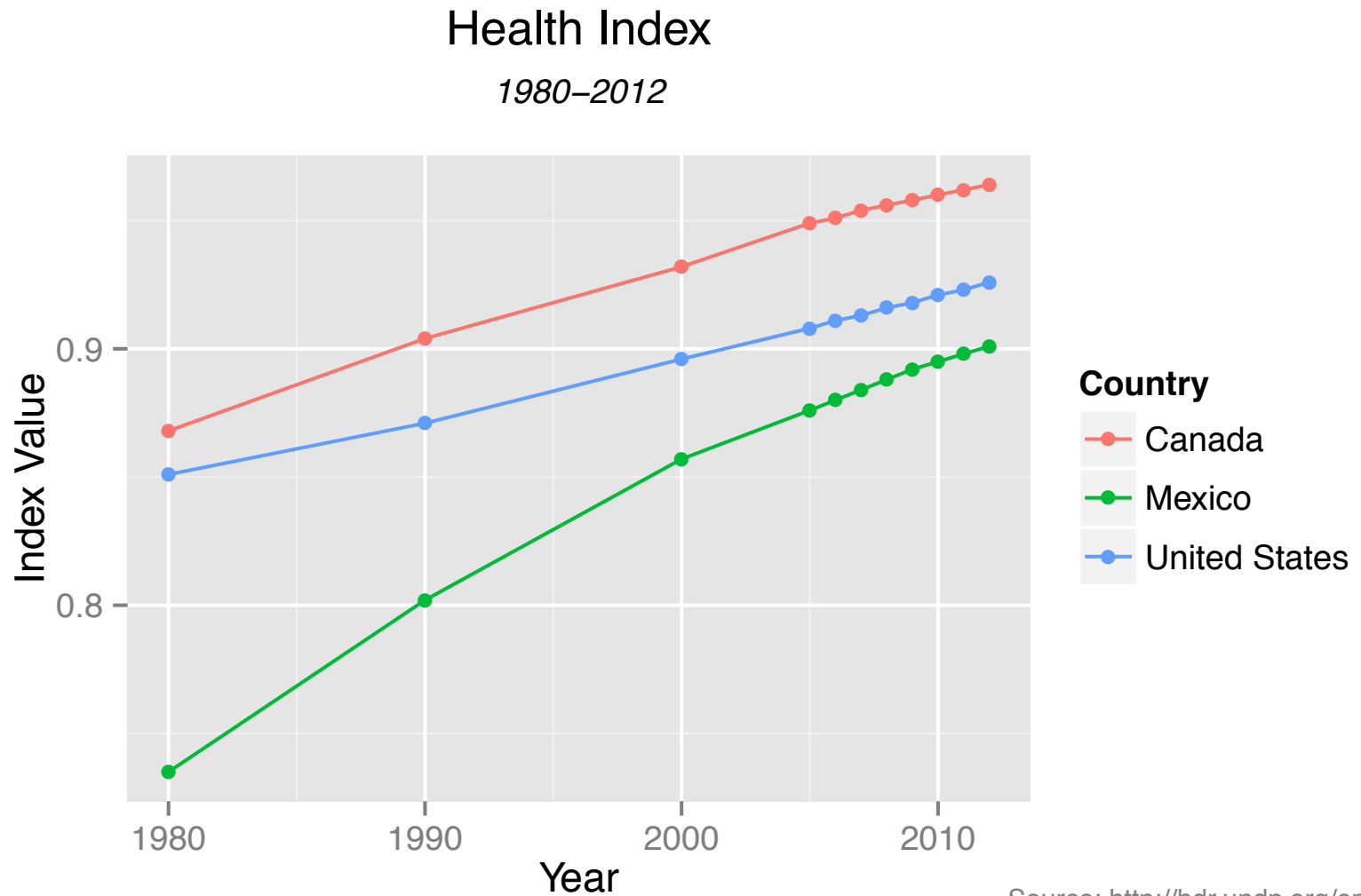
Income remains the biggest gap between the three countries.



Source: <http://hdr.undp.org/en/data>

Closing the Health Gap

Mexico has closed the gap in health between it and the US and Canada.



Closing the Education Gap

Mexico had also closed the gap in education, although not nearly as much.

