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Mexico's Unemployment Reaches 6.4 Percent in January

by LADB Staff

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In mid-February, the government's statistics agency (Instituto Nacional de Estadísticas, Geografía e Informática, INEGI) announced that open unemployment for January was 6.4% of the economically active population (EAP), an increase of almost one percentage point from the 5.5% rate recorded last December. In January 1995, INEGI reported open unemployment at 4.5% of the EAP. Based on a total EAP of 34 million, the January open unemployment rate would mean that almost 2.2 million workers were jobless during the first month of the year. Labor unions and other independent sources suggest, however, that as many as 9 million workers are actually unemployed. In addition, those sources estimate that another 10 million workers make a living from the informal economy.

According to the INEGI report, 86% of the unemployed workers had some work experience, while the other 14% were entering the work force for the first time. Of the 39 cities surveyed, INEGI reported the highest unemployment in Villahermosa (Tabasco), Monterrey (Nuevo Leon), Mexico City, La Paz (Baja California Sur), Toluca (Mexico), Tlaxcala (Tlaxcala), and Tuxtla Gutierrez (Chiapas). On the other hand, the lowest unemployment figures were reported in Tijuana (Baja California Norte), Acapulco (Guerrero), Leon (Guanajuato), Manzanillo (Colima), Culiacan (Sinaloa), and Merida (Yucatan).

The high January unemployment figures increased questions about the government's recent assessments that an economic recovery is underway. Indeed, the INEGI report came on the heels of the release of the inflation statistics for January, which put the increase in the consumer price index at a relatively high 3.6% (see SourceMex, 02/14/96). Coincidentally, the January unemployment statistics were released a few days before President Ernesto Zedillo presided at the 30th anniversary of the workers congress (Congreso del Trabajo, CT) in late February. In his speech, Zedillo said the increase in open unemployment during January was the result of "seasonal factors," and he pledged that his administration would continue to place a high priority on job creation.

Zedillo predicted that the country's economic recovery would take off during the second quarter of this year, which would result in the creation of 600,000 to 700,000 new jobs during 1996. Indeed, in a press conference in late February, Zedillo's chief economic spokesperson, Alejandro Valenzuela, acknowledged that the government was anticipating a GDP decline of 2% to 3% for the first quarter of the year, but said the economy would begin to grow by the April-June quarter. The Zedillo administration has projected an increase of 3% in Mexico's GDP this year. Private and government economists, however, suggest this goal may not be attainable unless the economy experiences a surge of growth in the last three quarters of the year. (Sources: La Jornada, Excelsior, 02/20/96; Agence France-Presse, Reforma, 02/20/96, 02/21/96)

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