

Introduction

During the first quarter of 2018, 56.8% of Mexico's economically active population (EAP) participated in informal sector. This sector of the economy is characterized by a lack of work backed by job contracts, which allow workers to move in and out of labor markets. The low, national unemployment rate (3.1%) reflects this situation. Although this context may not seem severe, it is important to note two factors: 1) there is no national unemployment insurance social program, and 2) the Mexican institutional context is classified as a familistic regime, which means that jobless individuals rely on their families to support them. Furthermore, the intensity of unemployment varies according to individual and household characteristics as well as labor market conditions. This paper will analyze this situation from a social exclusion perspective with a focus on young people.

Social exclusion as implication of unemployment.

Since the foundation of the modern state, and as a result of the reorientation of the social thinking, the rise of the bourgeoisie assigned a central role to economic and industrial activities, which in turn made labor the main public activity in the industrial society. Thereafter, labor has taken centre stage in the identity-shaping process vis-à-vis social integration, since individuals define their own place in society according to their position in the structure of production. According to Alonso (2007), throughout the period of social reform from the late 19th century to the Second World War, labor was one of the three paths to social citizenship –along with nationality and family masculinity–, a citizenship model that remained in place during the “Fordist” period.

However, since the 1970s, labor –especially wage labor– has been deprived of its transformative role due to the unbalanced relationship between labor and benefits. The main consequences have been the precariousness of labor conditions, the proliferation of contractual arrangements, the development of undefined activities (between labor and non-labor) and massive unemployment. Consequently, unemployment hinders the transformative process attributed to labor and restricts social integration as well as its promise of full social citizenship. From this follows that unemployment brings about the loss of the centre of gravity and an increasing uncertainty on an individual level. Furthermore, individualization, a deteriorated collective protection system and ultimately the ousting from the productive circuit stir up social uselessness, and thus social exclusion.

Against this background, I should take into consideration that unemployment in Mexico is highly relevant, since it is a manifestation of social exclusion processes. Open unemployment has been a crucial element of youth social exclusion, not only due to lack of income, but also due to its impact on social identity. Alongside

these effects, it is noteworthy that insertion into the labor market symbolizes, for young people, the landmark event for the transition to adulthood; and what does this mean? According to Pérez-Amador (2006), in the case of Mexico, landing a job triggers school dropout, leaving home, entry into union, the birth of the first child, which as a whole would constitute a full adulthood. Hence, unemployment implications about social identity, also affect the way young people become adults.

Objective

The general objective is to explore the heterogeneity of youth unemployment between different cities and analyze how young people's sociodemographic background, previous working conditions and the characteristics of different labor markets shape the unemployment situation. There are three specific objectives. The first is to describe unemployment levels between Mexican cities. The second is to characterize urban labor market conditions. Finally, the analysis looks at which individual or household features and labor market elements are more likely associated with being unemployed and socially excluded.

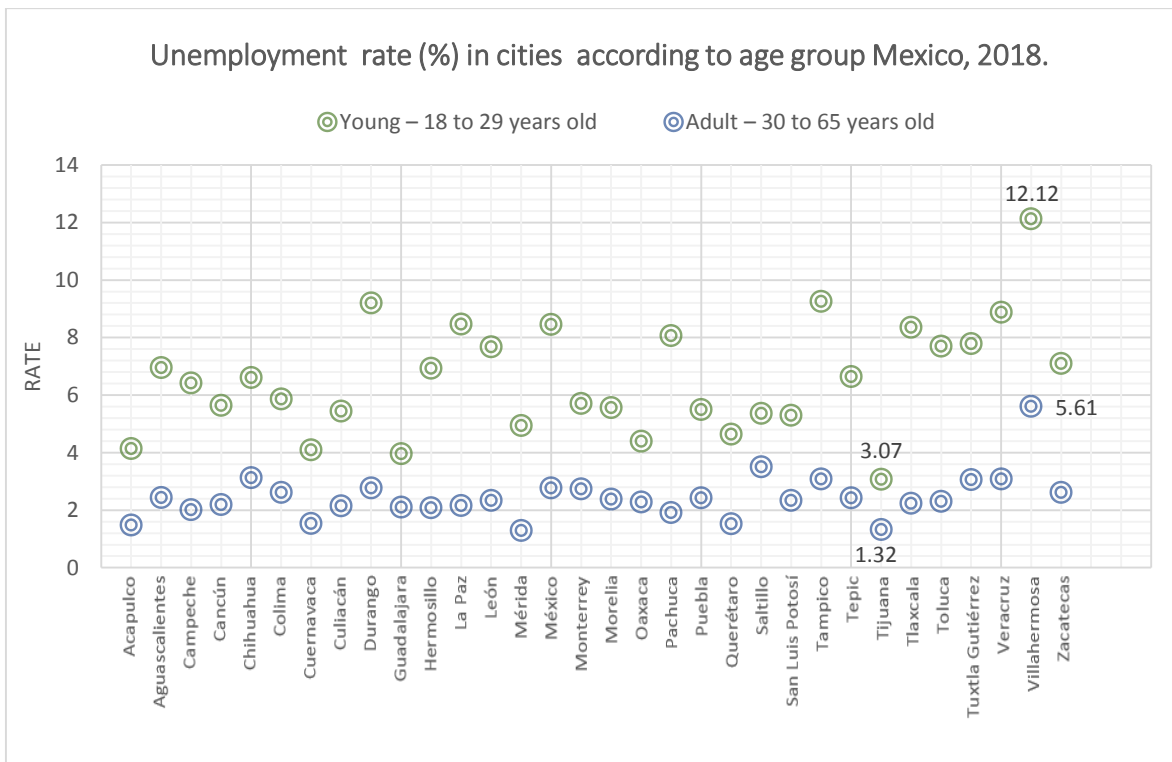
Data and methodology

The main source of information is the National Survey of Occupation and Employment (ENOE) for the first quarter of 2018. It is worthwhile to point out that, even though this was not the most stable quarter economically, it was selected, because data collection in this period involved the application of an extended survey with questions related to occupational aspects of previous jobs.

The methodological strategy of this study is mainly quantitative. In the descriptive section, we will include the calculation of the unemployment rate, explaining the differences between the economically active population (EAP) and young people, in order to ascertain the intensity of the phenomenon. The sex variable will also be tested. In addition, unemployment rates from different cities will be presented in order to observe heterogeneity. In the explanatory section, an index -using principal component analysis- that ranks urban labor markets will be estimated and a logistic regression model will be shown with socio-demographic and socio-professional variables. The group of study consists of young people (18-29 years old) who live in 32 urban centres. The cities were selected according to two assumptions: first, Mexican population is mainly urban, and second, they constitute the highest level of disaggregation available in the survey. The age group was selected because the lower limit (18 years) reflects the ideal age for completion of compulsory education, whereas the upper limit (29 years) is the maximum age to access social programs for youth.

Results

Findings indicate that youth unemployment in Mexico has evolved in accordance with literature: the youngest people have the highest unemployment rates. This is more evident when they are compared with the adult group and with other young subgroups. The youth unemployment rate (6.03) lies above the national mean rate (3.32). The following graph shows that this pattern also persists in cities:



In terms of sex, women, generally have an unemployment rate strongly similar to the national rate, but young women show the highest rates of unemployment (6.44), in relation to older women (2.21). Concerning men, there is a relevant gap between young and adult: by looking at the youngest group, we found that their unemployment rate (5.77) is almost double the average men rate (3.29), although the gap is much larger for women. This proves the empirical evidence: women are more affected by unemployment. As a result, women, compared to men, are at greater risk of being totally excluded from the labor market. Additionally, due to women's conventional association with reproductive labor, along with their limited access to gainful employment under equal conditions, even if they enter the labor market, they would do it poorly.

Regarding urban labor markets and index to rank them, the findings indicate that there is a special pattern. It can be explained by the productive structure of cities, which refers to cities whose labor market has higher levels of informality –restricted access to a written contract-. These urban centers showed lower levels of

unemployment, because youth insertion in these markets is relatively simple. In contrast, in more formal markets –northern Mexico, where economies are closely tied to the US (García, 2009) –, young people face more hurdles to become part of labor force, since they offer more optimal conditions. Unemployment -as expression of social exclusion- induced by labor conditions is heterogeneous among Mexican urban markets.

Now, in order to know which variables are more likely to make young people unemployed, these are analyzed in two groups: socio-demographic factors and factors related to labor markets. In the first case, the results indicate that being older –a unitary increase– diminishes the likelihood of young people to become unemployed, and this corresponds with empirical evidence from other studies: younger people are more likely to be excluded from the labor market. In addition, gender is not a significant variable in the model. Regarding kinship structure, being child –in comparison to parent– make them more likely to become unemployed. This is due to the notion that parents generally play the role of breadwinner, whereas children are less pressed to perform productive activities, since household typically does not rely on their income. As for schooling, it is evident that the more educated, the more likely people are to become unemployed. The fact that young graduates are more likely to become unemployed –compared to those with elementary-school education– is related to availability of resources in the household; this means that young professionals generally are socially more advantaged and therefore it is possible for them to face long-term unemployment until they find a job matching their career and economic prospects.

In the case of variables linked to the previous occupation, those who had employer benefits in their previous jobs are less likely to become unemployed. Additionally, monthly minimum wage (around 115€ in Mexico) is not a significant variable, but being part of either public or private sector is significant. Having worked in public sector makes young people more likely to become unemployed. In Mexico, that sector generally offers better job placement conditions compared with the private sector.

We conclude by noting that this analysis answered the questions posed in the introduction. First, it is worth noting that young people suffer higher levels of unemployment than adults. Through comparing unemployment rates among cities, results are heterogeneous and show special patterns. Cities with the best working conditions are connected to the US economy and they have an industrialized productive structure. The main individual features that complicate youth's entry into the labor market are 1) being a child, and 2) holding a high schooling degree; both make young people more likely to become unemployed. As for labor conditions, having worked in a privileged sector, such as the public one, raises the likelihood of becoming unemployed and being socially excluded.

References

Alonso, E. (2007). *La crisis de la ciudadanía Laboral* . Barcelona: Anthropos.

Amador, J. P. (2006). El inicio de la vida laboral como detonador de la independencia residencial de los jóvenes. *El inicio de la vida laboral como detonador de la independencia residencial de los jóvenes* , 7-47.

García, B. (2009). Los mercados de trabajo urbanos de México a principios del siglo XXI. *Revista Mexicana de Sociología* , 5-46.