Maquiladora Recovery: Lessons for the Future

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Maquiladora Employment 2000–2006
(000's of workers, s.a.)
Maquiladora Employment After 2006

*Quadrant I (positive, positive):* Sectors with structural gains, in which employment grows in recession and recovery.

*Quadrant II (negative, positive):* Cyclical sectors, which shed jobs in recession and add them in recovery.

*Quadrant III (negative, negative):* Sectors with structural losses, in which employment declines in both recession and recovery.

*Quadrant IV (positive, negative):* Countercyclical sectors, which see job counts rise in recession and fall in recovery.
Cyclical versus Structural Change in Mexican Maquiladora Employment, 2000–2004

II: Procyclical flows

I: Structural Gains

III: Structural losses

IV: Counter-cyclical

-3.00 -2.00 -1.00 0.00 1.00 2.00 3.00

Recession

Recovery

0.00 0.50 1.00

Electronics
Transportation
Textile
Furniture
Leather
Other

Toys
Food
Chemical
Services
Cyclical versus Structural Change in Mexican Maquiladora Employment, 1990–1992

II: Procyclical flows

III: Structural losses

IV: Countercyclical

I: Structural Gains
Cyclical versus Structural Change in Mexican Maquiladora Value Added, 2000–2004

I: Structural Gains

II: Pro-cyclical flows

III: Structural losses

IV: Counter-cyclical

- Electronics
- Transportation
- Textile
- Furniture
- Services
- Chemical
- Machinery
- Toys
- Food
- Leather
- Other
Maquiladora Employment vs Value Added

Index, January 2000=100

Value Added
(real, s.a.)

Employment
Real Output per Worker in the Maquiladora

(000's of real pesos)

- Total
- Electronics
- Transportation
- Textile
- Furniture
- Services
- Chemicals
- Machinery
- Toys
- Foodstuffs
- Leather
- Others
Total Real Compensation Paid by the Maquiladora Industry, 2000–2006

Index, January 2000=100

- **Employment**
- **Compensations** (real, s.a.)
- **Value Added** (real, s.a.)
Some Closing Remarks

--Although the assembly plants have lost significant ground in several low-wage sectors, they’ve found new ways to grow and compete.

--Productivity has increased rapidly, as have wages.

--The maquiladora industry is maturing and leaving behind its roots as a low-wage industry.

--Just as important, the industry continues to provide increasing stimulus to the economic growth of both Mexican and U.S. border cities.