

MEXICO

1. Socio-economic and perceived impacts of the coronavirus (COVID-19) pandemic

Mexico has been hard hit by the COVID-19 pandemic. In 2020, gross domestic product (GDP) contracted by slightly more than 8%. The COVID-19 crisis also worsened the income conditions of the most disadvantaged populations, increasing poverty by nine percentage points and extreme poverty by almost eight percentage points based on latest international comparable estimations. Income inequality was already high before the pandemic (around 0.48), as it was in the Latin America and the Caribbean (LAC) region (0.46), and had been stable in the last decade. Between March 2020 and May 2021, schools were fully closed for 53 weeks, compared to the averages of 26 weeks in LAC and 15 weeks in Organisation for Economic Co-operation and Development (OECD) countries. Effective online learning was present in only 33.8% of schools, close to LAC (32.5%) but much lower than the OECD (54.1%).

Public expenditures on health decreased by 0.5 percentage points in the last decade. Before the pandemic, in 2017, they stood at 5.5% of GDP, lower than in LAC (6.8%) and the OECD (8.8%). According to Gallup data, 50.5% of people were satisfied with the public provision of health care in 2020, almost 12 percentage points less than in 2009. This figure is slightly higher than the LAC average (48.2%) but lower than the OECD average (70.7%). In 2018, the latest available year, more than 90% of Mexicans thought that their country is governed in the interests of a few powerful people, one of the highest proportions in LAC (82%).

2. National and international co-operation initiatives aimed to build forward better

Before the COVID-19 crisis, Mexico was already focusing on well-being policies aimed at developing a universal model of social rights. Mexico's conditional cash transfer programmes particularly stand out. However, many poor families still do not benefit from social assistance. On 1 May 2020, the government undertook a constitutional reform that expanded social programmes to address the crisis consequences. COVID-19 relief measures for households mainly came in the form of cash transfers. These included the delivery of bimonthly pension support to the elderly (*Programa Pensión para el Bienestar de las Personas Adultas Mayores*) and people with permanent disabilities (*Programa Pensión para el Bienestar de las Personas con Discapacidad Permanente*). Concerning firms, low-cost loans and payment deferrals were made available to small and medium-sized enterprises in both the formal and informal sectors.

Going forward, Mexico aims to overcome the obstacles that currently inhibit social inclusion, advancing in tackling poverty and inequality. Mexico is committed to the execution of comprehensive interventions aimed at guaranteeing the social rights already established in the constitution. This structural transformation will also create opportunities for the development of human capital and productivity.

The COVID-19 pandemic was at the core of Mexico's international co-operation projects both *within* and *beyond* the region. The priority was given both to immediate needs, with a special focus on assisting LAC neighbour countries, and to measuring the socio-economic impact of the crisis to implement better policies in the medium and long term. *Within* LAC, Mexico's co-operation efforts were characterised by support and assistance to neighbours. They include the donation of medical ventilation devices to Central America and the Caribbean countries and, in collaboration with Argentina, the production and distribution of the Astra-Zeneca vaccine in the region, as well as co-operation to facilitate administration and approval of the Sputnik V vaccine. Mexico also participated in an initiative for adaptation and resilience to climate change in the Caribbean (Mexico-Caribbean Community-Food and Agriculture Organization), an initiative for strengthening food security (*Mesoamérica Sin Hambre*), and the implementation of a platform to reinforce the tourism sector through virtual training with the countries of the Pacific Alliance. *Beyond* LAC, within the framework of the EUROSociAL+ co-operation programme with the European Union, support has been provided to promote employment for vulnerable populations. EUROSociAL+ has also supported policies aimed to protect migrant children and adolescents in the context of the Mexico-Guatemala Binational Border Strategy.

	Key indicators – Mexico ¹					
	Mexico		LAC ²		OECD ³	
	2019	2020	2019	2020	2019	2020
Socio-environmental						
Extreme poverty ⁴	10.6	18.3	8.1	10.0	N/A	N/A
Poverty ⁵	2019	2020	2019	2020	2019	2020
	41.5	50.6	26.8	30.9	N/A	N/A
Gini index ⁶	2009	2019	2009	2019	2009	2018
	0.51	0.47	0.50	0.46	0.31	0.31
Total population in informal households by quintile, 2018 ⁷	Bottom 20%	Top 20%	Bottom 20%	Top 20%	Bottom 20%	Top 20%
	70.9	17.4	78.0	19.1	N/A	N/A
Health expenditures ⁸	2010	2017	2010	2017	2010	2017
	6.0	5.5	6.5	6.8	8.1	8.8
Out-of-pocket health expenditures ⁹	2010	2017	2010	2017	2010	2017
	45.7	41.3	35.6	34.1	20.2	20.6
Weeks of full school closure ¹⁰	03/2020-05/2021					
	53		26		15	
Effective online learning ¹¹	2018		2018		2018	
	33.8		32.5		54.1	
Effective online learning in disadvantaged schools ¹¹	2018		2018		2018	
	12.7		21.5		48.8	
Share of Internet users ¹²	2009	2019	2009	2019	2009	2019
	26.3	70.1	29.3	67.8	68.3	85.8
Number of students per computer ¹³	2015	2018	2015	2018	2015	2018
	2.2	2.4	2.4	1.6	1.8	1.1
Exposure to PM 2.5 ¹⁴	2010	2019	2010	2019	2010	2019
	21.5	20.1	18.1	18.0	15.7	13.9
% change in intact forest landscape ¹⁵	2000-16					
	-4.6		-8.8		-6.3	
Competitiveness and innovation						
	Mexico		LAC ²		OECD ³	
Labour productivity ¹⁶	2009	2019	2009	2019	2009	2019
	46.6	47.4	29.3	26.7	72.2	70.7
High-tech exports ¹⁷	2009	2019	2009	2019	2009	2019
	22.7	20.4	8.7	8.3	19.5	17.9
R&D expenditures ¹⁸	2009	2017	2009	2017	2009	2017
	0.5	0.3	0.4	0.4	2.4	2.5
ICT patents ¹⁹	2009	2017	2009	2017	2009	2017
	132	199	726	521	173 440	141 358
Citizens' perceptions and institutions						
	Mexico		LAC ²		OECD ³	
Citizens' perceptions of corruption in government ²⁰	2009	2020	2009	2020	2009	2020
	73.2	77.2	72.0	72.4	67.5	58.8
Citizens' perceptions of country governed in the interests of few ²¹	2009	2018	2009	2018	2009	2018
	78.3	90.5	64.8	82.0	N/A	N/A
Satisfaction with health care ²²	2009	2020	2009	2020	2009	2020
	62.1	50.5	56.9	48.2	69.2	70.7
Satisfaction with water quality ²³	2009	2020	2009	2020	2009	2020
	74.1	77.3	74.8	76.0	77.9	79.4
% of people victim of criminality ²⁴	2010	2016	2010	2016	2010	2016
	25.9	30.7	19.6	23.8	N/A	N/A
Rank in the Press Freedom Index ²⁵	2021					
	143		82		36	
Change in political polarisation ²⁶	2009-18					
	-1.0		9.6		N/A	
SIGI index ²⁷	2019					
	29.0		25.6		16.3	
Fiscal position						
	Mexico		LAC ²		OECD ³	
Total tax revenues ²⁸	2009	2019	2009	2019	2009	2019
	12.5	16.5	20.6	22.9	31.6	33.8
Share of VAT in total revenues ²⁹	2009	2019	2009	2019	2009	2019
	26.9	24.3	25.3	27.7	19.8	20.7
Social expenditures ³⁰	2009	2018	2009	2018	2009	2018
	9.4	8.7	11.3	11.4	21.0	19.7

Sources, footnotes and technical details can be found at the end of the country notes.

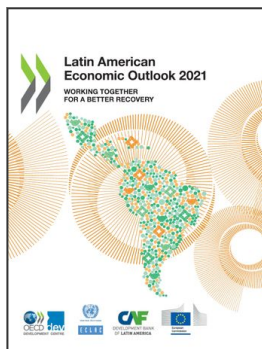
Technical notes

1. As best as possible, the table follows the key areas identified in *Latin American Economic Outlook 2021*: i) socio-environmental aspects; ii) economic competitiveness and innovation; iii) citizens' perceptions and institutions; and iv) fiscal position.
2. Latin America and the Caribbean (LAC) average is a simple average of the largest set of LAC countries for which data are available in the latest year.
3. Organisation for Economic Co-operation and Development (OECD) average is a simple average that includes all OECD member countries as of May 2021.
4. Data refer to the definition of extreme poverty as specified by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC, 2021^[1]), *Social Panorama of Latin America 2020*. www.cepal.org/sites/default/files/publication/files/46688/S2100149_en.pdf. Data for 2020 refer to an estimate based on 2019 data, as specified in Annex I.A2 of (ECLAC, 2021). Projections are based on 2017 data for Chile, 2014 for Guatemala and 2018 for Mexico. Applying the same criteria as in previous LEO editions, data selection prioritizes comparability across LAC countries and shows the latest comparable data available at the report's publication date.
5. Data refer to the definition of poverty as specified by (ECLAC, 2021^[1]), *Social Panorama of Latin America 2020*, www.cepal.org/sites/default/files/publication/files/46688/S2100149_en.pdf. Data for 2020 refer to an estimate based on 2019 data, as specified in Annex I.A2 of ECLAC (2021). Projections are based on 2017 data for Chile, 2014 for Guatemala and 2018 for Mexico. Applying the same criteria as in previous LEO editions, data selection prioritizes comparability across LAC countries and shows the latest comparable data available at the report's publication date.
6. Data for LAC from ECLAC, CEPALSTAT | Databases and Statistical Publications, <https://cepalstat-prod.cepal.org/cepalstat/tabulador/ConsultaIntegrada.asp?idIndicador=3289&idioma=i>. Data for Chile refer to 2017, instead of 2019, data for Guatemala refers to 2014.
7. Data for the OECD from OECD Income Distribution Database, www.oecd.org/social/income-distribution-database.htm.
8. Indicator provides the distribution of the total population living in informal households by quintile. An informal household has all of its workers in informal work. Quintiles are based on monthly total household consumption or income. The source of this indicator is the OECD Key Indicators of Informality based on Individuals and their Households database, https://stats.oecd.org/Index.aspx?DataSetCode=KIIBIH_B5.
9. Health expenditures as % of gross domestic product (GDP). Data from OECD (2020), *Health at a Glance: Latin America and the Caribbean*. Share of current expenditure on health. Data are from OECD (2020), *Health at a Glance: Latin America and the Caribbean*.
10. Data from UNESCO, <https://en.unesco.org/covid19/educationresponse#schoolclosures>.
11. Data from OECD et al. (2020), *Latin American Economic Outlook 2020*, www.oecd.org/publications/latin-american-economic-outlook-20725140.htm.
12. Data from International Telecommunication Union (2020), www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx.
13. Data from OECD et al. (2020), *Latin American Economic Outlook 2020*, www.oecd.org/publications/latin-american-economic-outlook-20725140.htm.
14. $\mu\text{g}/\text{m}^3$. Data refer to population exposure to more than 10 micrograms/ m^3 and are expressed as annual averages. Data from OECD, <https://data.oecd.org/air/air-pollution-exposure.htm>.
15. Data from OECD, https://stats.oecd.org/Index.aspx?DataSetCode=INTACT_FOREST_LANDSCAPES.
16. Output per employed person as % of United States 2019 output per person employed. Data from the Conference Board, <https://conference-board.org/data/economydatabase/total-economy-database-productivity>.
17. High-technology exports as % of manufactured exports. Data from The World Bank, <https://data.worldbank.org/indicator/TX.VAL.TECH.MF.ZS>.
18. Research and development expenditure as % of GDP. Data from The World Bank, <https://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS>.
19. IP5 Patent families. Data from OECD, https://stats.oecd.org/Index.aspx?DataSetCode=PATS_IPC.
20. Percentage of people who think that the government is corrupt. "Is corruption widespread throughout the government in (this country), or not?" Data from Gallup 2021.
21. Percentage of people who think that the country is governed in the interests of few. "En términos generales ¿diría usted que (país) está gobernado por unos cuantos grupos poderosos en su propio beneficio, o que está gobernado para el bien de todo el pueblo?" Data from Latinobarómetro, 2020.
22. Percentage of people who think that the health care is of good quality. "In your city of area where you live, are you satisfied or dissatisfied with the availability of quality health care?" Data from Gallup 2021.

23. Percentage of people who think that the water is of good quality. “In your city or area where you live, are you satisfied or dissatisfied with the quality of water?” Data from Gallup 2021.
24. Percentage of people who are victim of criminality, “have you been a victim of any type of crime in the past 12 months?” Data from Latin American Public Opinion Project, www.vanderbilt.edu/lapop/data-access.php.
25. Data from RFS, Reporters without Borders, https://rsf.org/en/ranking_table.
26. Percentage of people who declare being left or right on a 1-10 scale (1=left, 10 = right). “In politics, it is normal to refer to left and right. On a scale where 0 is the left and 10 is the right, where would you place yourself?” Data from Latinobarómetro, 2020.
27. Data from OECD, www.genderindex.org/ranking/.
28. Revenues as % of GDP. Data from OECD et al. (2021), *Revenue Statistics in Latin America and the Caribbean* (2021).
29. Value added taxes as % of total revenues. Data from OECD et al. (2021), *Revenue Statistics in Latin America and the Caribbean* (2021).
30. Social protection expenditures as % of GDP. Data from OECD and ECLAC.

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From:

Latin American Economic Outlook 2021

Working Together for a Better Recovery

Access the complete publication at:

<https://doi.org/10.1787/5fedabe5-en>

Please cite this chapter as:

OECD, *et al.* (2021), "Mexico", in *Latin American Economic Outlook 2021: Working Together for a Better Recovery*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/754fa847-en>

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