

Assessing the role of the export sector in Mexican economic development, 1965-2014

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Propositions accompanying the dissertation

Assessing the Role of the Export Sector in Mexican Economic Development, 1965-2014

by Juan Carlos A. Castillo Sánchez.

1. The export sector has transformed Mexico into a global manufacturing powerhouse with progressively higher levels of output and of labor that would otherwise be used by low productivity sectors (agriculture).
2. Mexican manufacturing has clearly failed to induce a substantial transformation of its exporting sector towards more technologically complex manufacturing activities. The expansion of the export sector took place at the expense of limiting technological capabilities, low use of domestic resources and high use of low-qualified labor.
3. As a result of fragmentation, only advanced and emerging countries producing in textiles, electronics and other manufacturing increased their network of suppliers beyond those available in their own region. The vast majority of countries mostly increased their regional ties. (Chapter 3).
4. Mexico's increasing production for exports should not only be associated with the implementation of export processing zones or with the signing of NAFTA, but also with specific policies that were devised to induce increasing production for exports from firms in the domestic sector (Chapter 2).
5. A long-run aggregate decline in the domestic content of Maquiladora exports is largely explained by the falling domestic content within electronics manufacturing, as well as by currency crisis and drastic policy changes (both taking place in 1981 and 1994). (Chapter 4).
6. Depending on the manufacturing sector being analyzed, Mexico's exporting sector can participate in local value chains (Transport sector), regional value chains with North America (Textiles) or global value chains with East Asia (Electronics). (Chapter 5).
7. Changes in labor productivity in domestic manufacturing (non-export sector) drive productivity trends in total Mexican manufacturing. Upgrading by exporting firms appears to have no important role in productivity growth. (Chapter 6).

8. Despite modest increases in labor productivity and low upgrading, the export sector should not be regarded as a stagnant one. The export sector has rapidly increased its contribution to employment and output, but it could have made a much larger contribution if it had experienced more upgrading or more rapid labor productivity growth. (Chapter 7).
9. From its inception, the Maquiladora industry has to be analyzed as a binational industry that has historically benefitted both Mexico and the US. Any renegotiation of NAFTA should aim at further, expanding this binational industry, rather than destroying it. (Chapter 7).
10. *“Geography has made us neighbors. History has made us friends. Economics has made us partners. And necessity has made us allies. Those whom nature hath so joined together, let no man put asunder”* -John F. Kennedy (1961).
11. *“I fantasize, I call it quits. I swim with the economists and, I get to bottom of it for good”*. -Alex Turner, *One Point Perspective*, Arctic Monkeys (2018).
12. *“Yo no estudio para escribir, ni menos para enseñar (que fuera en mí desmedida soberbia), sino solo por ver si con estudiar ignoro menos. Así lo respondo y así lo siento”*. -Sor Juana Inés de la Cruz, *Respuesta a Sor Filotea de la Cruz* (1691).