In contemporary Mexican cities, as in many other Latin American cities, unequal working conditions are visible everywhere. In what might be labeled a “street corner economy,” the coexistence of formal and informal economic sectors and labor markets can be observed any day of the week, during business hours and beyond, on most main streets or at any given intersection. Modern international banks or luxurious commercial centers are accompanied by street venders who sell breakfast juice, coffee, and traditional Mexican food to business people minutes before opening hours, or at lunch time. Flowers, magazines, toys imported from China, cutlery, soft drinks, candies, chewing gum, or whatever else comes to one’s imagination are offered to passers-by walking down the streets or drivers stuck in traffic. In larger cities these convenience workers have completely taken control of the some areas of the urban space.

Formal unemployment rates are very low according to national statistics (2.6% in 2004) as compared to those of developed countries. But it has taken many years for the informal labor market to be officially recognized, and it continues to be measured only in terms of some of its differences with the formal sector: differences based mainly on the size of the enterprise, its’ income, the presence or lack of social security, and fringe benefits. Official accounts still ignore the nature and origin of the many precarious conditions that are characteristic of this informal sector. Originally conceptualized as an explanation of the under employment and precarious productivity of many occupations in the International Labor Organization’s (ILO) report on Kenya (1972), many Latin American authors have thoroughly developed the concept as one of the major explanations of the countries inequality and poverty. Micro economic establishments have an important place in the growth of the informal sector and the interactions between formal and informal sectors (Gallart, 2004; Labarca, 1999; Tokman, 2004).1

In Mexico, only 3% of the businesses, factories and services, accounting for 48% of the industrial and services labor force, formally comply with the basic legal requirements for employment. Some of them have undergone important modernization processes and have even been awarded international standards certifications,2 but the

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LEARNING TO WORK IN AN INDUSTRIAL MEXICAN CITY IN TRANSITION (1990–2000)

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number of informal workers continues to increase. This explains why most Mexicans can account for earning some income when asked about it in the census: 56.8% of the labor force is working in small establishments with five workers or less; 63.5% of the labor force does not have the minimum social security benefits guaranteed by law, and 28.7% have been identified as working in the informal sector (Secretaría del Trabajo y Previsión Social, 2003).

Schooling, on the other hand, has been steadily growing in the country. As of 1993, 9 years of formal education are compulsory, both for the state, which must guarantee all children a place in a classroom, and for the children and their parents who must make sure they comply. Nevertheless, the school attendance average remains only a little over 7 years for the population over 15 years old, while universal schooling for the population under 15 years has not yet been achieved for some 8% of this age group. It has been reported that 48.5% of the labor force did not complete the nine grades of compulsory basic education, while 14.2% have at least one grade of higher education (Secretaría de Educación Pública, 2004).

In both the national and local political discourse, schooling is considered the main factor for improving income and working conditions. National statistics confirm the idea that those who complete high school, obtain vocational training or go on to higher education are the ones who, on the average, have better job positions and income throughout the country. Nevertheless, academic research over the last 40 years has shown how this relationship changes according to different situations: years of schooling, the segment of the labor market analyzed, economic development during precise periods or in specific regions, and even the kind of educational institutions young people attend (Carnoy, 1977; De Ibarrola & Reynaga Obregón, 1983; Gordon, Reich, & Edward, 1973; Hallack & Caillouds, 1980; Singer, 1976). Thus, an important question raised by studies opposed to the Human Capital theory concerns the centrality of schooling as the primary causal factor in the general development of countries or regions: the question of what comes first, they argue, is still a matter as difficult to resolve as the ancient riddle about the chicken and the egg. Just as difficult is the issue regarding just what is the nature of the many complex relations between these two autonomous systems, and to what degree each is mediated by different logics, rationales, and objectives (De Ibarrola, 1988). These well known studies have also questioned the causal role of schooling in the automatic improvement of income and job positions: consider, for example, references to “the great training robbery” and the “diploma disease.” Clearly, “illustrated unemployment or under employment” successfully explain, at times, the dysfunctional data for unemployment in spite of increasing schooling in the country.

A central project for those using Marxist theory to study of education, has been the effort to analyze how schooling was distributed according to previous social conditions and to argue that schooling is a way of contributing to the reproduction of the stratification of society. Economists studying the rate of return from schooling also question again and again how it is that school growth is seen to answer the supposed demands of the labor market, when in fact it is answering to social demands and political projects (Béduwé & Planas, 2002). Researchers periodically register the inefficiency of investing in different school levels or academic sectors that, at a given time, do not lead to the kind of jobs or income expected. It is clear that the overall positive effect of greater schooling on the general living conditions of the population and the