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Honors Research Project

Globalization’s Effects on Mexico
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>2</td>
</tr>
<tr>
<td>Abstracto (Spanish)</td>
<td>3</td>
</tr>
<tr>
<td>Introduction</td>
<td>4</td>
</tr>
<tr>
<td>Examining the Historical Trends of the Mexican Economy</td>
<td>4</td>
</tr>
<tr>
<td>Economic Globalization</td>
<td>9</td>
</tr>
<tr>
<td>Trade</td>
<td>12</td>
</tr>
<tr>
<td>Foreign Direct Investments and Portfolio Investments</td>
<td>13</td>
</tr>
<tr>
<td>Modeling Economic Globalization &amp; Mexico’s Economy</td>
<td>15</td>
</tr>
<tr>
<td>Gross Domestic Product (GDP)</td>
<td>16</td>
</tr>
<tr>
<td>Purchasing Power Parity (PPP)</td>
<td>17</td>
</tr>
<tr>
<td>Findings</td>
<td>20</td>
</tr>
<tr>
<td>Conclusion</td>
<td>28</td>
</tr>
<tr>
<td>Conclusión (Spanish)</td>
<td>30</td>
</tr>
<tr>
<td>References</td>
<td>33</td>
</tr>
</tbody>
</table>
Abstract

This research paper aims to investigate the effects of economic globalization on the Mexican economy. To contextualize the research presented, a brief historical summary is presented. Economic globalization is examined through trade and foreign investment in México, including Foreign Direct Investment (FDI) and portfolio investment. The Mexican economy is measured by Gross Domestic Product (GDP) and Purchasing Power Parity (PPP). This research paper uses data from The World Bank to examine how economic globalization indicators affect the indicators chosen to measure the Mexican economy. The findings of this paper show that there is evidence that the Mexican economy has grown as a result of exposure to a global market and the embrace of neoliberal economic policy. Additionally, the findings indicate that some of the indicators of globalization have no direct effect on specific economic indicators, but seem to impact the economy overall. This paper determines that neoliberal economic policy and economic globalization have shaped Mexico’s recent history and will shape the future of Mexico.
Abstracto (Spanish)

El objetivo de este documento de investigación es para investigar los efectos de la globalización económica sobre la economía mexicana. Para contextualizar la investigación presentada, se presenta un breve resumen histórico de México. La globalización económica se examina por el comercio y la inversión extranjera en México, incluida la inversión extranjera directa (IED) y la inversión en cartera. La economía mexicana se mide por el producto interno bruto (PIB) y la paridad del poder adquisitivo (PPA). Este documento utiliza datos del Banco Mundial para examinar cómo la globalización económica indicadores afectan los indicadores elegidos para medir la economía mexicana. Los resultados de este documento demuestran que existe evidencia que la economía mexicana ha crecido como resultado de la exposición a un mercado global y el abrazo de la política económica neoliberal. Además, los resultados indican que algunos de los indicadores de la globalización no tienen efecto directo sobre indicadores económicos específicos, pero parecen impactar la economía en general. Este documento determina que la política económica neoliberal y globalización económica han dado forma la historia moderna de México y moldearán el futuro de México.
Introduction

This paper addresses the question, “Does economic globalization have a positive effect on the Mexican economy?” This question addresses two topics that are important in economic and political discourse in the United States, “globalization” and the Mexican economy. With the recent renegotiation of NAFTA to the United States-Canada-Mexico Agreement (USCMA) and the upcoming challenge in all three countries to ratify the treaty (Leonard et al, 2018), this topic is significant. This paper shows how the Mexican economy has significantly grown since 1980 and shows no signs of slowing down. Many studies have investigated economic globalization’s effect on the United States or on the world as a whole. To understand globalization’s effect on the United States, it is important to also understand its effect on one of the United States’ closest economic partners, Mexico. This paper aims to present information to describe why it is important to understand how globalization affects México. This paper will address the question by measuring how economic globalization affects the Mexican economy.

Examining the Historical Trends of the Mexican Economy

The land area of Mexico has a rich history long before the modern country of Mexico was founded. The landscape of Mexico was forever changed when the European nations colonized large parts of this new world. In the early years of colonization, the Spanish conquest of the land was primarily focused on acquiring natural resources and wealth (Hanns, 1992). The Spanish conquered the native nations of the land, including the Aztec, Inca, and Mayan populations. Originally, control of the
land was delegated to the heads of state of these populations, but the Spanish eventually took a more direct approach to governing the populations. As the process of governing the land became more complicated, more interface between the native populations and the Spanish colonials took place (Hanns, 1992). In essence, direct Spanish control of the new world was an early aspect of economic globalization. The Spanish forced the Mexicans into an economy based on European principals. Consequently, through forced globalization, the economy of Mexico developed into a system where a small population owned most of the land. The landowners were made up largely of criollo, or direct Spanish descendants, and mestizos, or mixed-race Spanish descendants (Rothstein, 2007). Through the 1800s México had bad experiences with the international community, notably the United States. Mexico lost a sizable amount of its northern land to the United States (Britannica, 2018). Numerous violent interactions with the United States, including full-scale war, led the Mexican people and government to distrust the United States and international cooperation for many years.

At the beginning of the twentieth century, Mexico experienced a period of unrest that began in 1910 with the Mexican Revolution. After years of civil war, a struggling Mexico emerged with a new constitution that was ratified in 1917 (Britannica, 2018). After the Mexican Revolution, the new government struggled to maintain its position and to deal with civil strife. In this time, the government aimed to make land distribution more equitable. The land was then redistributed to poor, Mexicans, mostly of indigenous
descent (Rothstein, 2007). After this period of unrest, Frances Rothstein found that the recent political history of Mexico can be categorized into three distinct periods:

“Cardenas’s ‘nationalist-populist’ period in the 1930s (Cypher 1990, p. 10); import substitution industrialization from the 1940s to the 1970s; and, since the 1980s, neoliberalism. Each of these periods represents increased integration into the global economy” (Rothstein, 2007, p. 25).

During the nationalist-populist period, Mexico then entered into a period of modernization that focused on strengthening the nation internally and disposing of external actors. A defining part of this period was the nationalization of the oil industry, foreign-owned oil companies were possessed and nationalized under one united Mexican oil company. In the following years, the policy of import substitution industrialization was pursued. The goal of this policy was to decrease imports into the country, therefore lowering Mexico’s dependence on foreign nations. During this period, Mexican industries were heavily subsidized by the government in order to keep business inside México. The Mexican economy was largely closed to foreign investment and industry because of the policies enacted during this era (Rothstein, 2007).

As Mexico moved towards economic isolation and enacted policy aimed against economic interdependence, a majority of the developing world was moving in the opposite direction. Globalization encouraged the development of a global economic market. Mexico did not become an active member of the global economy until much later in the century. However, as a result of world markets being so connected, a
concept known as global market volatility emerged. In a global market, an economic crash or downturn in one area of the market has rippling effects for all the areas of the market. For example, when an economic downturn occurs in Europe, the effects are felt across the world, including the Mexican economy. In the early 1980s, a recession hit the global markets, due largely to an increase in oil prices and increased inflation (Leonhardt, 2009). This recession affected the global powers first, including the United States and Europe (Leonhardt, 2009). The effects of the economic recession of the early 1980s led to a debt crisis that hit Mexico the hardest in 1982, and the poor and middle class suffered the worst as they lost what gains they had made during the initial years after the Revolution (Rothstein, 2007). This crisis is part of what encouraged a shift in Mexican policy towards neoliberalism.

The government of post-Civil War Mexico ushered in an era of industry after the Civil War; however, as previously discussed, this industry was largely state-supported. In this time of expansion, it was popular for Mexican politicians to support state-sponsored industry and increase trade as it benefited the economy. During this time period, the Mexican population and political class held distrust for the United States and other industrialized nations along with it as a result of numerous invasions by the United States and the intervention in Mexican national politics (Klepak, 2008). In the 1980s the Mexican economy suffered a crash and faced a debt crisis. After the economic crash of the early 1980s, politics and policy shifted in Mexico. The nation adopted policy encouraged by the Washington Consensus to expand and to help its economy recover. The economic connections offered by the United States came with a
requirement, the adoption of neoliberal policy. This caused Mexico to enter into a period of deregulation of markets and privatization of industry (Canclini, 1995). Increased interdependence and cooperation brought on by globalization has shifted the national political landscape in Mexico and changed the approach to international relations. Neoliberalism is an ideology that focuses on the freedom of trade and ideas between states (Smith, 2018). As previously discussed, globalization is based on the free flow of people, objects, and information. The era of neoliberalism deregulation was expressed through policies of “deregulation of the economy, liberalization of trade and industry, and privatization” (Steger and Roy, 2010, p. 14). Rapid economic globalization was boosted by these three policy aims. Policies enacted by governments following neoliberal policies aimed at maximizing opportunities for private businesses, which encouraged the expansion of the global market. Neoliberalism was championed by Western nations like the United States and Great Britain and was eventually adopted by others.

The Washington Consensus is a name for the distribution of western ideology, specifically neoliberal policies, to the rest of the global system. The United States wielded great power over large global economic institutions such as the World Bank and therefore had the power to influence other nations’ economic policies. The United States established goals “as a framework for ‘proper’ economic development” (Steger and Roy, 2010, p. 19). In order for a developing nation, like Mexico, to receive aid from institutions such as the World Bank, they had to adhere to policies of deregulation, liberalization, and privatization. Neoliberalism and the Washington Consensus
influenced the development of Mexican policies from education policy to economic policy.

Upon the adoption of neoliberalism, Mexico was able to turn to the United States for trade and investment (Klepak, 2008). Through this economic partnership, Mexicans’ distrust for the United States was replaced by a desire to ensure mutual economic benefit (Klepak, 2008). Advocacy for increased trade and support of industry has driven national politicians in Mexico for much of the new global era (Klepak, 2008). Policies encouraged by the Washington Consensus drove increased trade and decreased regulation. As a single global market emerged as the flow of goods and services became more simplified, especially in North America (Ervin and Smith, 2008). Increased deregulation in major world markets encouraged increased investment internationally (Ghauri and Powell, 2008). Investment flowed into developing countries, such as Mexico (Ervin and Smith, 2008). Historically, large cities, such as Mexico City, functioned as hubs for the Mexican market, specifically regarding global trade. However, in the global era, rural areas of Mexico along with large urban areas participate and contribute to the global market through agriculture and manufacturing (Canclini, 1995).

Globalization is a term that has been around for almost an entire century and has been popular for about a half-century (Steger, 2017). Research on this concept has included the technological connection humans now maintain, economic interdependence, cultural mixing, and political cooperation. This word has been used
both as a hot-button political issue and as a seriously studied academic topic. Globalization is so important that some argue that the era we are living in should be labeled the “global age” (Ritzer and Dean, 2014).

Globalization is a direct result of the expansion of human consciousness (Steger, 2017). In essence, globalization is a process that is driven by the ways that humans make contact with each other (Steger, 2017). One definition of globalization by George Ritzer and Paul Dean states that globalization is,

“a transplanetary process or set of processes involving increasing liquidity and the growing multidirectional flows of people, objects, and information as well as the structures they encounter and create that are barriers to or expedite these flows.” (Ritzer and Dean, 2014, p. 2)

In this way, globalization is defined generally as a process that increases connectivity around the globe. The process of globalization itself both shrinks and expands the globe. The individual perspective of the world expands as individuals have more access to people, objects, and ideas from all corners of the earth. Additionally, the earth “shrinks in terms of time and space” as everything is made easier to access (Ervin and Smith, 2008).

The suffix “-ation” signifies that globalization is a transformational process that is unfolding (Steger, 2017). Various studies recognize the “era of globalization” as beginning in different years, and further differentiation exists based on what state is at the center of the study. For the purpose of this paper, the era of globalization will be defined as beginning in 1980, as the 1980s neoliberal policies were widely adopted
around the world during this time frame (Richards et al, 2001). Throughout all of human history, humans have expanded forms of communication and connectedness with each technological development, however, the era of globalization refers to globalization in the modern sense. Globalization not only affects current world trends but is expected to grow more influential in the future (Ritzer and Dean, 2014). In this view, the effects and byproducts of globalization could rival the power and influence of individual states in the international system (Ritzer and Dean, 2014).

Ervin and Smith, who research international relations at Northern Arizona University, define the major actors that affect the era of globalization on the international level. States make up the primary and most powerful actors in the era of globalization. International organizations, both governmental and nongovernmental, have become increasingly powerful in the era of globalization as people are brought together through the interconnectedness of the world. Multinational corporations, central banks, and international financial institutions make up the economic actors in the era of globalization. Through the United States’ encouragement of liberal economics, the International Monetary Fund and the World Bank became actors on the global stage that pushed liberal economics. Various actors in the global stage have been able to rival states’ levels of influence because of the power that globalization allows them. (Ervin and Smith, 2008).

Economic globalization is the process of increased economic interconnectedness. As mentioned, the Mexican government pursued liberal economic policies in the 1980s and as a result, the Mexican economy opened up to the
Trade increases the opportunities for international corporations to conduct business (Ervin and Smith, 2008). Mexico’s participation in the global market is largely enhanced by the advancement of trade. International trade agreements such as NAFTA and the Mexico-European Union Trade Agreement (Villarreal, 2017) caused a rapid increase in international trade, this allowed for products to flow across the world with ease (Ervin and Smith, 2008). The North Atlantic Free Trade Agreement, or NAFTA, signed in 1994 by the United States, Canada, and Mexico dramatically changed the economic outlook of the three countries by connecting their economic futures and encouraging economic dependence on each other (United States, 2004). Free trade allows for export without tariffs between member nations. As a result of this, exports between the member nations increased dramatically. In the first ten years of NAFTA, trade between the United States and Mexico grew annually by eleven percent as the total trade between the two countries increased from 81.5 billion USD in 1993 to 235.5 billion USD in 2003 (United States, 2004). In 2018, trade between the United States and Canada reached 611 billion USD (U.S. Census Bureau, 2019), a 650% increase over 25 years or an annual compound growth rate of 8.39% per year. According to a study on the economic impacts of NAFTA on its member countries, Mexican exports to the United States benefit industry in the country and therefore, have a positive effect on the Mexican economy (Woldu et al, 2018). Economic globalization encourages the trade
between Mexico and the United States, which increases the flow of money and goods into the state. Trade, especially between North American nations, has proven essential for the Mexican economy and its continued expansion.

Total exports from Mexico have steadily increased since the early 1980s. Total exports rose from 20.806 billion USD in 1980 to 435.800 billion USD in 2017. At the same time, imports rose from 25.216 billion USD in 1980 to 456.574 billion USG in 2017 (World Bank, 2019). As previously mentioned, trade agreements such as the North Atlantic Free Trade Agreement (NAFTA) and Mexico-European Free Trade Agreement led to the sharp increase in trade between Mexico and its trading partners.

Foreign Direct Investments and Portfolio Investments

The emergence of transnational corporations shaped global economics and particularly the economy of Mexico. A transnational corporation is a “parent company having subsidiary units in more than one country, which all operate under a coherent system of decision-making and a common strategy” (Steger, 2017). These corporations have no allegiance to one particular state, rather they conduct business in places that are most profitable to them. Through the emergence of transnational corporations and the expansion of trade, international actors make foreign direct investments (FDI) in states. Foreign direct investment is defined by Larimore as an “investment made to acquire a lasting interest in enterprises operating outside of the economy of the investor” (2008). In the modern global era, Foreign Direct Investments has flowed into Mexico from transnational corporations. In particular, the Mexican economy has benefited from the automotive industry investing in the country through the creation of
factories. For example, between 2007 and 2015, 200,000 hourly jobs were created in Mexico as a result of the auto industry (United States, 2017). The growth of the auto industry is predicted to continue with the automotive “output projected to double to more than 5 million vehicles annually by 2020,” (United States, 2017, p. 21). Although this growth is good for the Mexican auto industry, it is important to note that growth in this industry in México will have reverse effects elsewhere. For example, workers in other, rival industries face displacement, and auto workers from the United States face job loss. Foreign direct investment is a long-term investment in a state’s economy. The investment, like the factories in Mexico, are expected to remain and cannot be liquidated quickly (Larimore, 2008).

Portfolio investment is the short term investment by foreign or national actors in a nation. Individuals, companies, and other actors that have benefited from great wealth in the era of globalization often have money that they are willing to invest in the short term in order to make a profit. Portfolio investments do not contribute long-term to the economic status of a country, but rather display short term activity of investment. This type of investment includes stocks and debt. Portfolio investment in Mexico includes foreign investors who buy stock in a business that they predict will do well, and wait to receive the profits from this investment. This kind of investment is not long-term because the money can be retracted almost instantly. Unlike FDI, the investors have little to no control or sway over how the industry they invest in operates. (Larimore, 2008) From the early 1980s until 2017, Portfolio Investment did not have a pattern or trend, but rather, was erratic as money was moved in and out of the country (The World
Bank, 2019). Investment in business and industry allows local and national businesses the ability to access increased amounts of money. Although this type of investment is good for individual businesses and industry, it does not signify the long-term economic health of a nation.

Modeling Economic Globalization & Mexico’s Economy

This paper aims to examine whether economic globalization has an overall positive effect on the Mexican economy. The independent variable, economic globalization, is indicated by trade, foreign direct investment (FDI), and increased Portfolio Investment. Therefore the following propositions are drawn regarding the relationship between globalization and the Mexican economy.

1. Increased trade between Mexico and other states leads to increased economic growth.
2. Increased foreign direct investment in Mexico leads to increased economic growth.
3. Increased Portfolio Investment in Mexico leads to increased economic growth.

The dependent variable, Mexico’s economy, is measured using commonly examined economic development indicators. These variables include Gross Domestic Product (GDP) Growth and Gross National Income PP.
This paper will examine the trends of the Mexican economy. First, this paper will examine how Mexico’s emergence into the global market has affected its Gross Domestic Product (GDP). Since 1980, the Gross Domestic Product, or GDP, of Mexico grew from 205.139 billion to 1.151 trillion by 2017 (The World Bank, 2019). Economic globalization largely contributed to this growth, in a study of the GDP growth rates of the NAFTA member states, data shows that the Mexican GDP growth rate is positively affected by the United States’ growth rate (Woldu et al, 2018). Despite the rapid growth of Mexico’s national GDP, the GDP per capita has not increased at the same rate. In comparison to the national GDP, the GDP per capita grew from 965 USD in 1970 to 8,910 USD in 2017 (The World Bank, 2019). While the national GDP grew by 823%, the GDP per capita only grew 316% since 1970. As Figure 1 shows, the growth rate of Mexican GDP and GDP per capita are reflective of each other.
A living wage is most appropriately defined as the wage at which being able to afford the cost of living is attainable. In simpler terms, a living wage is considered to be a wage producing a living above the poverty line of a given economic region (Jus Semper Global Alliance, 2018). The most effective way to measure the living wage of Mexico is to compare Mexico’s Purchasing Power Parity (PPP) with the real wages of workers in an established industrialized nation like the United States. Essentially, this compares the purchasing power of a worker in the country in question with the purchasing power of a worker in the U.S. This wage calculation is otherwise known as the equalized wage (Jus Semper Global Alliance, 2018).
According to the World Bank World Development Indicators, “Equivalent manufacturing workers in Mexico earn only 18% of what they should be making in order to be compensated at par with their U.S. counterparts in terms of purchasing power” (Jus Semper Global Alliance, 2016). Therefore, if a worker in the United States earns a wage of 1 USD, a Mexican worker of the same socioeconomic status earns a real wage of .18 USD. The cost of living in Mexico as of 2016 is .54 USD compared with the benchmark U.S. cost of living of 1 USD (Jus Semper Global Alliance, 2016). Thus, the Mexican worker would have to make 54 cents for every dollar that the U.S worker makes in order to be considered an equivalent wage. As stated before, under the PPP method, the Mexican worker currently makes 18 cents for every dollar that the U.S. worker makes, pointing to a large economic disparity between similar workers in different countries.

In using the PPP method to determine the living wage of Mexico, it is evident that average daily laborers are being adversely affected. Currently, the U.S. nominal wage rate stands at 39.03 USD per hour. Mexico’s real wage rate PPP is 7.22 USD per hour. Considering the PPP approach to evaluate the cost of living and determine a living wage, the livable equalized wage for the average Mexican laborer would be 21.15 USD (Jus Semper Global Alliance, 2016). The income disparity between similar workers in the U.S. and Mexico is best shown below in Figure 2.
The difference between the Mexican living wage and the Mexican nominal wage is the economic amount that the employer is inappropriately retaining from the workforce. Globalization has infiltrated emerging markets such as Mexico and increased the wealth and power of corporations. Unfortunately, wealth and power have disproportionately worked its way down to the average laborer. The Conference Board International Labor Comparisons program, a program that is dedicated to producing economic indicators, cites that, “with Mexico, there has been virtually no change in
equalization terms for the entire twenty-year period” (Jus Semper Global Alliance, p.10, 2018). Out of the 34 countries that are continuously evaluated as part of The Conference Board International Labor Comparison program, Mexico had the second worst living wage equalization position (Jus Semper Global Alliance, 2018). In conclusion, globalization has drastically increased the income disparity between average workers in Mexico and average workers in developed countries such as the U.S. Globalization has made the hope of bringing home a livable wage remote for most Mexicans at the benefit of large multinational corporations.

Findings

This paper presents information to prove that Mexico’s economy has benefited as a result of exposure to economic globalization. Mexico’s participation in trade, an increase in foreign direct investment, and the increased flow of Portfolio Investment have allowed for economic growth in the era of globalization. Using indicators borrowed from the United Nations Human Development Index, this paper measures the Mexican economy through the Gross Domestic Product (GDP) growth and Gross National Income (GNI).

Additionally, this paper makes the proposition that an increase in trade between Mexico and other states leads to increased economic growth. This is measured by comparing the trend of exports and imports between Mexico and other states and the GDP over a thirty-seven year period from 1980 to 2017. As shown in Figure 3, the growth of imports and exports is directly correlated with the growth of GDP in Mexico.
As trade between Mexico and other states increased, GDP has increased to match it following a very similar trend. In 2009, as a result of the global economic recession, imports and exports drop from around 300 billion USD each to around 250 billion USD each, and in the same year, Mexico’s GDP drops from over 400 billion USD to under 250 billion USD (The World Bank, 2019).

The proposition that an increase in trade between Mexico and other states leads to increased economic growth is also measured by comparing the trend of exports and imports between Mexico and other states and the Gross National Income PPP. As shown in Figure 4, the growth of imports and exports appears to be correlated with the growth of Gross National Income. From 1980 to 2015, trade grew at a more standard rate than Gross National Income PPP, which is shown in Figure 4 to have a more erratic trend. However, both of these factors grew in the era of globalization. This comparison also shows the joint effect that the global recession had on Mexico following 2008.
This paper makes the proposition that an increase in foreign direct investment leads to increased economic growth. This is measured by comparing the trend of foreign direct investment and Mexican GDP. Figure 5 displays the trend of FDI from 1980 to 2017 while Figure 6 shows the trend of GDP over the same time frame. Both figures show a trend line that increased from 1980 to 2017. This data shows some correlation, for example as FDI decreased from over 30 billion USD in 2008 to under 20 billion USD in 2009, GDP fell from 1.110 trillion USD to 900.045 billion in 2009 (The World Bank, 2019). However, imbalances can also be found while comparing the data sets. For example, as FDI fell from 30.060 billion USD in 2001 to 18.224 billion USD in 2003, GDP remained fairly constant, only dropping 27.37 billion USD (The World Bank, 2019).
2019). Additionally, despite a variation of FDI between 2012 and 2015, GDP grew at a relatively stable rate (The World Bank, 2019). Although the general trend of increased FDI matches the trend of increased GDP, specific examples show that short term correlation is not present.

**FIGURE 5**

![Graph showing FDI (USD) from 2012 to 2015.]

*Source: The World Bank*

**FIGURE 6**
The proposition that Foreign Direct Investment (FDI) leads to increased economic growth is also measured by comparing the trend of FDI growth and Mexican Gross National Income PPP growth from 1990 to 2017 (data from 1980-1989 is unavailable for GNI PPP). FDI growth and GNI PPP growth do not appear to have an obvious correlation. In fact, as calculated in Figure 7, the linear growth lines show that as FDI has had an overall negative growth rate while GNI PPP has had a growth rate that is trending positive. This data does not show that Foreign Direct Investment leads to increased economic growth.

FIGURE 7
This paper also makes the proposition that an increase in Portfolio Investment leads to increased economic growth. This is measured by comparing the trend of Portfolio Investment growth and Gross Domestic Product (GDP) growth from 1980 to 2017, as shown in Figure 8. This data does not show a strong correlation between Portfolio Investment growth and GDP growth. In fact, based on the linear growth line in Figure 8, the two factors appear to be trending in opposite directions, with the GDP growth rate increasing while the Portfolio Investment growth rate decreasing. This data does not show that Portfolio Investment leads to increased economic growth.

Source: The World Bank
FIGURE 8

Source: The World Bank
The proposition that Portfolio Investment leads to increased economic growth is also measured by comparing the trend of Portfolio Investment growth and Mexican Gross National Income PPP growth. Data from The World Bank shows that the growth rate of Gross National Income PPP is minor (under +/- 10%) compared to the growth rate of Portfolio Investments (2019). There is no strong correlation between the two growth rates and, in fact, while the linear growth of GNI PPP has trended positively, the linear growth of Portfolio Investment has trended slightly negatively. This data does not contribute to the argument that increased Portfolio Investment leads to increased economic growth.

Figure 9

Source: The World Bank
Conclusion

Overall, the Mexican economy has benefited from the effects of economic globalization. Mexico’s emergence into the global economic order, its participation in free trade, the presence of transnational corporations, and investment in the state’s industry have allowed for economic growth in the era of globalization. The evidence presented in this paper aims to link economic globalization to the advancement of the Mexican economy. In the case of the first hypothesis, increased trade between Mexico and other states leads to increased economic growth, the dependent variables measured suggest that this hypothesis is accurate. The growth of imports and exports, or trade, is directly correlated with a growth of GDP in Mexico. Additionally, both trade and GNI PPP grew in Mexico from 1980 to 2017, however, they did not grow at a mirrored rate. Overall, the argument that suggests trade benefits the Mexican economy is strongly supported by the data.

The dependent variables measured by the second hypothesis, increased Foreign Direct Investment (FDI) into Mexico leads to increased economic growth, do not prove the hypothesis true, however, the data does not disprove the hypothesis either. First, the general trend of increased FDI does match the trend of increased GDP, however, short term correlation is not present. Secondly, this data does not show that Foreign Direct Investment leads to increased economic growth. It is possible that by choosing other dependent variables to measure, another study may find more data to definitely support or oppose this hypothesis, however, the data chosen for this study does not prove it to be true or false.
The third hypothesis, increased Portfolio Investment in Mexico leads to increased economic development, is not supported by the data gathered to measure the dependent variables. Data comparing Portfolio Investment to GDP growth and GNI PPP growth are inconclusive, and somewhat in opposition to the hypothesis. The data gathered does not support the proposition that Portfolio Investment benefits the Mexican economy, additionally, more research is needed to discover if this type of investment hinders or has any effect on the economy.

There is no evidence that the process of globalization will slow down or end (Steger, 2017). Economic globalization persisted through challenges during the global era, including the recession of the ‘80s and the global financial crisis of 2008. Globalization has created wealth for some nations and corporations that participate in the global market, including Mexico. There is a growing concern that wealth created from globalization has been unevenly distributed globally, leaving a small number of wealthy people and a larger population of working poor people (Steger, 2017). A challenge Mexico will have to face is the economic impact on its working class, as research shows that many Mexicans are underemployed or employed as flexible, or temporary, workers (Rothstein, 2007). The question remains of what the long-term effects of globalization will be and what effect they will have on the population of Mexico, especially those who currently benefit at a disproportionately small rate. In order to be successful, Mexico will have to maintain its ability to adapt to match the global era’s trends.
En general, la economía mexicana se ha beneficiado de los efectos de la globalización económica. La aparición de México en el orden económico mundial, su participación en el libre comercio, la presencia de corporaciones transnacionales y la inversión en la industria del estado han permitido el crecimiento económico en la era de la globalización. La evidencia presentada en este documento tiene el objetivo de relacionar la globalización económica con el avance de la economía mexicana. En el caso de la primera hipótesis, el crecimiento del comercio entre México y otros estados conduce al crecimiento económico, las variables dependientes medidas sugieren que esta hipótesis es correcta. El crecimiento de las importaciones y las exportaciones, o el comercio, está directamente relacionado con un crecimiento del PIB en México. Además, tanto el comercio como la RNB PPA crecieron en México de 1980 a 2017, sin embargo, no crecían a un ritmo reflejado. En general, el argumento que sugiere beneficios comerciales a la economía mexicana está fuertemente respaldado por los datos.

Las variables dependientes medidas por la segunda hipótesis, el crecimiento de la inversión extranjera (IED) en México conducen a un crecimiento económico, no demuestran la hipótesis verdadera, sin embargo, los datos tampoco refutan la hipótesis. Primero, la tendencia general del crecimiento de la IED coincide con la tendencia del crecimiento del PIB, sin embargo la correlación a corto plazo no está presente. Segundo, estos datos no demuestran que la inversión extranjera directa conduzca a un crecimiento económico. Es posible que a elegir otras variables
dependientes para medir, un otro estudio puede encontrar más datos para apoyar definitivamente u oponerse a esta hipótesis, sin embargo, los datos elegidos para este estudio no demuestran que sea verdadero o falso.

La tercera hipótesis, al crecimiento de la inversión de cartera en México conduce a un mayor desarrollo económico, no es apoyado por los datos recopilados para medir las variables dependientes. Los datos que comparan la inversión de cartera con el crecimiento del PIB y el crecimiento de la RNB no son concluyentes, y son más o menos en oposición a la hipótesis. Los datos recogidos no apoyan la proposición de que la cartera de inversión beneficia a la economía mexicana, además, se necesita más investigación para descubrir si este tipo de inversión obstaculiza o tiene algún efecto en la economía.

No hay evidencia de que el proceso de globalización se ralentice o acabe (Steger, 2017). La globalización económica persiste a través de desafíos durante la era mundial, incluyendo la recesión de los 80 y la crisis financiera global de 2008. La globalización ha creado riqueza para algunas naciones y corporaciones que participan en el mercado global, incluido México. Hay una creciente preocupación de que la riqueza creada a partir de la globalización se haya distribuido de manera desigual en todo el mundo, dejando a un pequeño número de personas ricas y una población más grande de personas pobres trabajadoras (Steger, 2017). Un desafío que México tendrá que enfrentar es el impacto económico en su clase obrera, ya que la investigación muestra que muchos mexicanos están subempleados o empleados como trabajadores flexibles o temporales (Rothstein, 2007). La cuestión existe de cuáles serán los efectos
a largo plazo de la globalización y qué efecto tendrán en la población de México, especialmente aquellos que actualmente se benefician a un ritmo desproporcionadamente pequeño. Para tener éxito, México tendrá que mantener su capacidad de adaptación para que coincida con las tendencias de la era global.


