



8th INTERNATIONAL GEM-IWG CONFERENCE
ENGENDERING MACROECONOMICS AND INTERNATIONAL
ECONOMICS

July 20- 22, 2007

Organized by GEM- IWG in Collaboration with
The Levy Economics Institute
Department of Economics, University of Utah, Salt Lake City

With Support From
The Ford Foundation

The Gender Wage Gap and Trade Flows in Mexican
Manufacturing

Lilia Dominguez-Villalobos and Flor Brown-Grossman

The Gender Wage Gap and Trade Flows in Mexican Manufacturing

Lilia Dominguez-Villalobos and Flor Brown-Grossman

UNAM, Mexico

Since late eighties the Mexican economy has been increasingly integrated to the world market. Mexico has signed several free trade agreements and as result exports and imports have grown at fast rates. International integration has been accompanied with an increased women's participation in industry, particularly, but not exclusively in the Maquiladora industry (Rendon and Salas, 2000). The aim of this paper is to investigate the effect of this integration to the world market in the wage gap by gender in Mexican manufacturing...This paper investigates the relationship between technology and wage inequality and the rewards to skill for Mexican industrial workers in 2001 focusing on gender in the context of a globalized economy. We aim to show that the estimation of the wage gap by gender has to be analyzed on this wider sense in which there may be a wage industry premium (identified by the labor and technological profile of the industry), a firm's size premium and a skill premium (years of schooling, intensity of in the firm training and experience). We look for correlations between these premiums and trade variables by adding export intensity qualified by type (labor intensive, or high technology) and import penetration rates following the approach proposed by Lovely and Richardson (2000) and Oaxaca and Ranson (1994).