

Analyzing the Stratification in the Mexican Labor Market through Access to Education

José Raúl Luyando Cuevas

Universidad Autónoma de Nuevo León

Instituto de Investigaciones Sociales

Av. Lázaro Cárdenas Ote. y Paseo de la Reforma S/N,

Campus Mederos, C.P. 64930, Monterrey, N.L

México

Abstract

This research tries to analyze what is being observed as salary split in the Mexican labor market; a stratification phenomenon that Mexican government has indirectly generated due to its classification of the total education between basic education and non-basic. We suppose that the splitting within one and the other is or can be caused by an institutional factor. This is not only due to the government intervention, which is mainly caused by an educative policy, but also to an income policy. The outcome that we got gives certain evidence that if the policies and economic conditions as country do not change this phenomenon is on-going.

Keywords: Education, Costs, Labor Market Stratification, Wages, Institutional Division.

1. Background

In the Mexican education system the first school years are called basic education¹. The Mexican Constitution points out that all people have the right to receive education and that such education has to be costless and available to all citizens (Lower House, 2013). It also mentions that the basic education shall be compulsory. To emphasize it, the General Law of Education says that parents have the obligation to send their offspring or pupils to get basic education (Lower House, 1993). According to the above mentioned the first years of schooling are the priority of government because it assumes the responsibility to provide this kind of education to all people and requires it without any type of obstacles².

Although public education remains free - high school, college and postgraduate studies will represent high costs for parents in terms of school supplies, clothing, transport and food³. In the same way, if the student could not achieve a slot in the public school system and family incomes are enough, he might opt to study in a private school where the parents should also pay tuition, annuities and others relating costs. Therefore, family income and government education policies play an important role in the selection of who can access to these levels of education.

2. Duality or Splitting

The duality theories on the labor market are a critical stream of the orthodox model. They try to explain the fragmented nature of the labor market by social, technological and institutional influences in determining the level of employment and wages.

¹Before 1993, it was just the elementary. After 1993, preschool, elementary and junior high was included. In 2012 the government added the senior high school.

²In general, the government covers the costs. There are no charges for students. In elementary school the textbooks are free and in some cases there is free breakfast for students. Nonetheless, there is a latent phenomenon in many of them: deteriorating classrooms and schools standards are causing the principals of these schools to have to ask for monetary support from parents of students to repair these short comings.

³“La educación terciaria requiere de recursos educativos especializados y comparativamente más costosos (profesores de alto nivel, bibliotecas, laboratorios avanzados, equipamiento médico, entre otros). Pero así mismo en la mayoría de los países de Iberoamérica, el acceso de los jóvenes a este nivel es muy restringido, y el grueso de los jóvenes que acceden pertenecen a las clases medias y altas” Hopenhayn (2008: 122).

Some of them have introduced institutional factors in the mainstream model, but others are trying to find a new paradigm, which was pointed out by McNabb and Ryan (1990). In general terms, labor duality is understood to be a market dichotomy, whereby there are primary and secondary sectors. On one hand, the primary sector has got the best jobs, the best wages, higher benefits, job promotion and job security⁴. Some researchers consider that the jobs in this sector are restricted. On the other hand, a secondary sector exists with opposite conditions, i.e. repetitive tasks that require low skills, therefore, they have low wages, little or no benefits at work and there is no job promotion or job security. Wachter (1974: 638) also mentions that the difference between sectors focuses on the best and worst jobs and not on higher or lower workers' skills. Furthermore, he said that workers in the secondary sector develop a path of labor inconsistencies: they frequently jump from one job to another and join or leave unemployment very easily. In addition, there are many factors that prevent workers moving from the secondary to the primary sector, like: institutional barriers, unions, discrimination and the good jobs' shortage.

The duality in principal stream is impossible given the assumption of competition. Moreover, there is a direct relationship between the schooling level achievements of workers and their salary. The worker must forget about wages during the period when they are studying and assume the costs that this situation entails, due to the fact that he or she knows that these actions will be rewarded with higher future wages. It means that each person took into account the costs and benefits when deciding to start school or deciding to do more levels. In this way, people with the highest skills will be rewarded with the best wages in the labor market. The low wage workers are seen as individuals that would not want to improve or they do not have the enough skills to do so.

In the latter case, we study the individual situation, whereby the core family is the one supporting the schooling costs of children and it gets to be a family income problem. Becker (1981) supposes that the family sees itself as a unit that maximizes its utility; therefore there is an altruistic worrier of family members regarding the family income level. The utility of each family member will depend on other members, so all of them work to maximize family utility. The theory supposed that children are rational, and therefore, in line with their own interest they are maximizing the altruistic utility function. The main problem in this case is: to decide how the transfers should be to each child -given that the whole family is supporting this situation. There is no clear answer to this question in Becker⁵.

If we interpret the situation, the parent's investment on their children can increase their possibilities and their economic reward is uncertain (the whole family resigned to certain amenities and greater welfare for all members). The parents are seen, in altruistic form, to take care of the future of their children. But that situation is limited by family income that they got in the period where children were studying and the school costs⁶, which are related directly with the education and income politics implemented by Mexican Government. In an environment with high inequality and poverty⁷, family's decisions are more in line with family survival such as whole, that trying to find efficiency about the future of kids.

The Constitution and educational policies give priority to gratuity in public school system in Mexico, but the whole tuition coverage applies only to levels which in Mexico are called basic schooling. In that way, these levels have low costs to families, but only for children who were accepted into them; otherwise they have to pay tuition.

3. *Income and costs for the family*

If we suppose that education is one of the main factors for the employment of a worker, this might occurs because of their abilities or the signaling that this gives to the labor market. The acquired education will affect the worker job title and the wage that they will receive⁸. As Brent (1991: 154) points out: "Although there is undoubtedly certain amount of sheer enjoyment and consumption value to life as a student, schooling also represents an investment. In particular, additional schooling entails opportunity costs in the form of forgone earnings, as well as direct expenses such as tuition".

⁴Piore (1978).

⁵ To solve this situation he supposed an automatic adjustment, i.e., it does not exist any deal.

⁶ If family's income is high, it can support these expenses without any problem. Otherwise it will have problems coping with them.

⁷ The inequality in Mexico, measure by the Gini index, is increasing on period of 1984 to 2006 (Luyando, 2013).

⁸ As Adam Smith emphasized in his book "The wealth of nations (book 1)" the differences between the preparation levels between workers can explain the differences between their wages.

In this sense we suppose that the families of the students that are studying in Mexico, for them to be incorporate into the labor market, they should consider three types of costs: an adjacent cost, the opportunity cost and a cost which we call “private schooling cost”⁹. The adjacent costs involve all the material, food, clothes, etc., that students use in their study place. The opportunity cost will be understood as the cost of studying instead of working and receiving a wage.¹⁰ Least, because the government does not consider that it is a duty to give non basic education, the enrollment at the public schools of this level of education has always been less than the demand, so the private schools have gained a niche at these levels in the educative supply¹¹.

In the beginning, their supply was directed to the non accepted students in the public schools that were available to deal with the costs of staying in a private school. Over time, some of these private schools, at least some, gained prestige and now they are preferred over the public ones, because they are supposed to offer a better quality of education. However, that higher quality involves a cost, and the higher is the prestige, the higher is the cost of studying in these types of schools. But the families also have to consider that these costs will increase whenever the education level increases.

Regarding the adjacent costs, at first, it should be considered that as the level of studies is higher, the number of schools offering that level will be lower, so that, the transportation costs increase and, for the same, many students should buy their meals near the school. But not only the costs transportation would increase, but also all the adjacent costs, because the higher the specialization is the higher the sophistication of school supplies. In the case of the opportunity cost, it may follow the path of the adjacent costs. This is because the loss in wages (which in other situation the student would perceive them) will increase when the age of the student increases. There are some cases in which the families need this non perceived income, maybe in some agricultural or marginal area, and because of that, there will be more pressure for the students to leave school and get a job.

Lastly, another cost might be taken as indirect because it depends on many factors. Although, it is a fact that the demand for enrollment in non basic levels of education is higher than the supply, that is, there exists a high percentage of teenagers who are rejected from public schools and find themselves in a dilemma of trying to get a slot in a private school, getting a job or doing nothing (in this one, they won not find great opportunity jobs, because of their lack of preparation and they will remain as not studying not even working people)¹². Only those families with enough income will be able to send their teens to private schools. In a similar way, we can suppose that the costs of the private undergraduate are higher that the high school costs, and these lasts higher that the secondary ones and so on.

4. Splitting the labor market

Following Dickens and Lang (1985: 792), they point out that two of the main claims of the dual market theory are: “that there is distinct low-wage (secondary) labor market in which there are no returns to schooling and workers do not receive on-the-job training, and that there are noneconomic barriers that prevent at least some secondary workers from obtaining better (primary) jobs”. Based on the latter, we suppose that the splitting within one and the other is or can be caused by an institutional factor. This is the government intervention which is mainly due to an educative policy, but also to an income policy. In this sense, as we mentioned, the Mexican State is obliged to offer basic school education for free.

⁹The complete purpose about cost is publishing in the American International Journal of Social Science with the title of “Costs in Education: A Factor that could Influence in the Segmentation of the Mexican labor Market”.

¹⁰In the Mexican labor market, the teenager around and over 15 years are considering like able to work by unions, government and bosses.

¹¹We can figure that government has an educational policy based in the education returns: on the one hand, it considers that basic education has social returns. On the other hand, the non-basic education should have private returns. It could be one reason why government not pays attention to tuition in college and postgraduate (something that is not necessarily true for a developing country).

¹² One may think that they are rejected because they donot have the capacity to continue studying. However this is influenced, firstly, because of the lack of places at these levels and the excess of demand. There are some scholars from private schools that search for a place in these, because privates are expensive. Secondly, there exists an automatic enrollment from the public highs school to public universities, but this does not apply for every public high school. The low quality that many automatic enrollment high schools have donot guarantee for those who have the greater abilities to stay in the university they want. The families with higher incomes are able to stay waiting for their children to find their better degree.

Furthermore, for our purposes, we suppose that basic education does not represent a heavy financial burden to the families, because the main things needed for it are free or low-cost. Because of that, the majority of the people will have passed these levels and gained a basic knowledge, i.e. this kind of individuals will be able to reach jobs that only require elemental skills, where they only make repetitive tasks. Therefore, the supply of these types of workers will be almost the total because in Mexico citizens are required to perform basic education¹³.

The last type of workers, we supposed, will be located in the secondary sector, the separation among sectors will be determined by the level of studies that the individual concerned has reached -which is a function of the family income-. Thereupon, based on Dickens and Lang, we will verify that there are no returns to education at the secondary sector, taking into account that the norms and the policies, primarily educative, that were developed by the Mexican government are generating a the duality in the labor market. The income policies have been generating a higher level of poverty and inequality, and they have a pernicious effect, given that a high percentage of families will not be able to send their children to non-basic education schools. In this sense, we suppose that the entrepreneurs, in a secondary sector with these characteristics, will have fewer incentives to enrich the capabilities of their workers because exist high rotation in it and an excess of supply of this kind of workers – they could get another worker of the same kind with a similar wage in a second¹⁴-.

Finally, we suppose that this dynamics has generated a kind of prejudice among the entrepreneurs of the secondary sector or as is proposed in the discrimination statistic theory, not in the strict sense, but in the sense that there exists an average idea that is almost accepted regarding public education in Mexico that is of bad quality, so that, it does not affect the expectations of entrepreneurs about the productivity of this kind of workers. Basic public education is the most problematically (more students and teachers, with the biggest union in Latin America) and that it creates more distrust.

This kind of education, in Mexico's case is located at the bottom of most quality indexes in the world, as it can be confirmed in the OECD statistics. It is not by chance that the last Mexican governments have been trying to develop an educational reform to heal this problematic. In our case, the wages of these workers will have a similar pattern because of the unimportance of another year of basic studies, which will not make any difference, at least in the perception that entrepreneurs have about their skills. Therefore, the entrepreneurs will fix a pattern of average characteristics instead of looking at every single characteristic to determine wages¹⁵. Then, one of the most accurate hypotheses to represent this situation is that the secondary sector is tending to a zero return bound.

On the other hand, we suppose that workers with higher studies than basic can reach labor places that require a certain specialization, it can be medium or high with capacity of innovation, so then, they will be located in which we named previously as primary sector. Moreover, given the low number of people that can reach this sector, the supply of workers of this sector will tend to decrease when higher the education level is considered. In this kind of sector, the higher the qualification is - the higher the reward will be, so we can say that the returns for reaching a higher level of education (education returns) would be monotonically increasing.

5. Enrollment

The enrollment during the schooling periods 1970-1971 to 2010-2011 has the behavior we hoped for. The greatest enrollment is for the primary education - that before 1993 was the only one considered as basic. Since 1993, the pre-scholar education and the secondary school were incorporated to the concept of basic education¹⁶. In Graph 1, it is shown what we called as "average enrollment for schooling level"¹⁷.

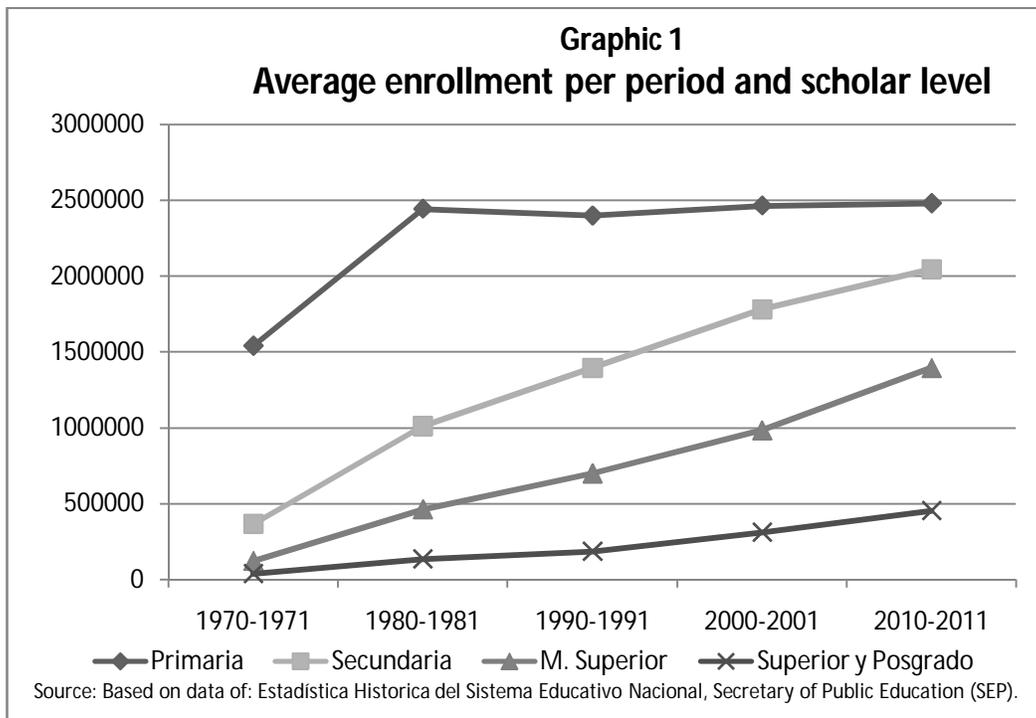
¹³To this supply must be added the people who achieved higher education but could only get a job in the secondary sector.

¹⁴Luyando (2011) have a proposal about it.

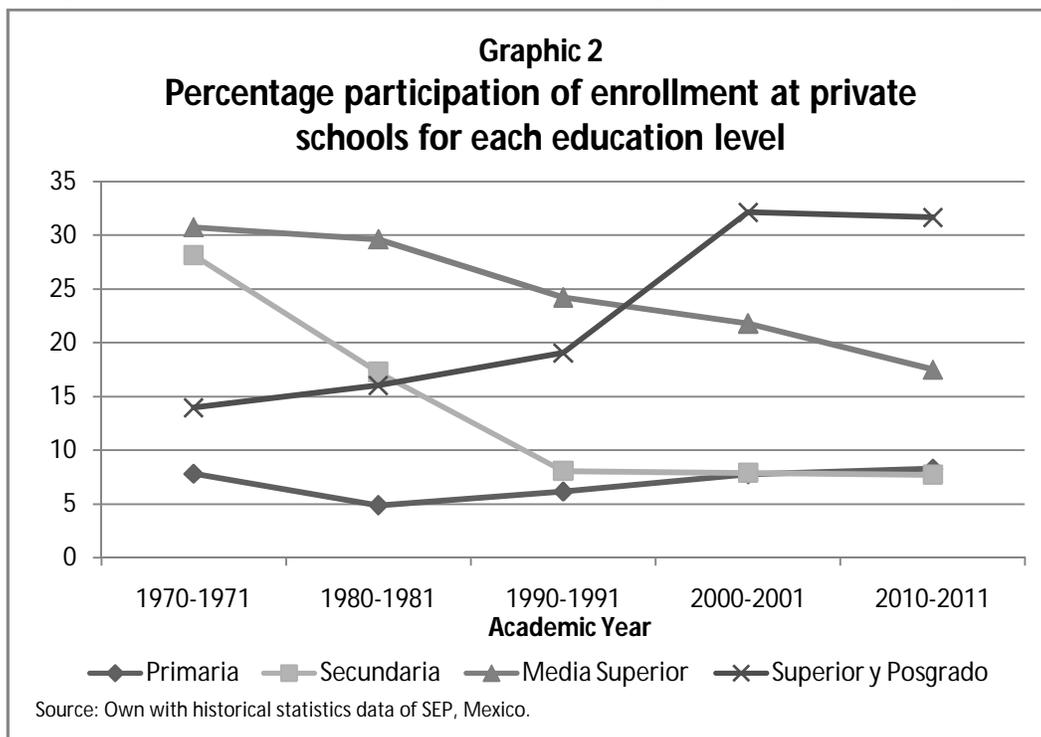
¹⁵"[...] as often happens in reality, assume that employers cannot always judge the productivity of each worker and used the average characteristics to make a judgment about them" (Basu, 2013: p.109).

¹⁶Although this year do not enter in our sample period, we must emphasize that in 2012 it was incorporated the high school as basic, so that undergraduate and graduate levels stayed as non-basic since that year.

¹⁷ It is been split the enrollment between the numbers of years studied at each level, that is, the total enrollment at primary (*primaria*) level would divide between six; the secondary (*secundaria*) between three; the high school (*m. superior*) between three; the undergraduate and graduate (*superior y posgrado*) between seven. Then, the enrollment divides equally share for each level of study, although actually it hoped that the enrollment should be decreasing with the pass of the years, in a greater amount at non basic levels and in a lower in basic levels.



In the schooling period 1970-1971, the average enrollment for primary school was higher than other levels and it increased during 1980-1981. However, the last period growth has been little, with a short period of decreasing during 1990-1991. On the other hand, we can observe that average enrollment for other levels have been increasing since the period 1970-1971. The growth in the average enrollment for secondary school is faster than the ones of higher levels of education, emphasizing that the graduate level has the slowest rhythm of growth, although it has been increasing since the period 1990-1991. The growth in the enrollment for the primary, secondary and high school levels has been boosted by the Mexican government, as shown in graphic 2.

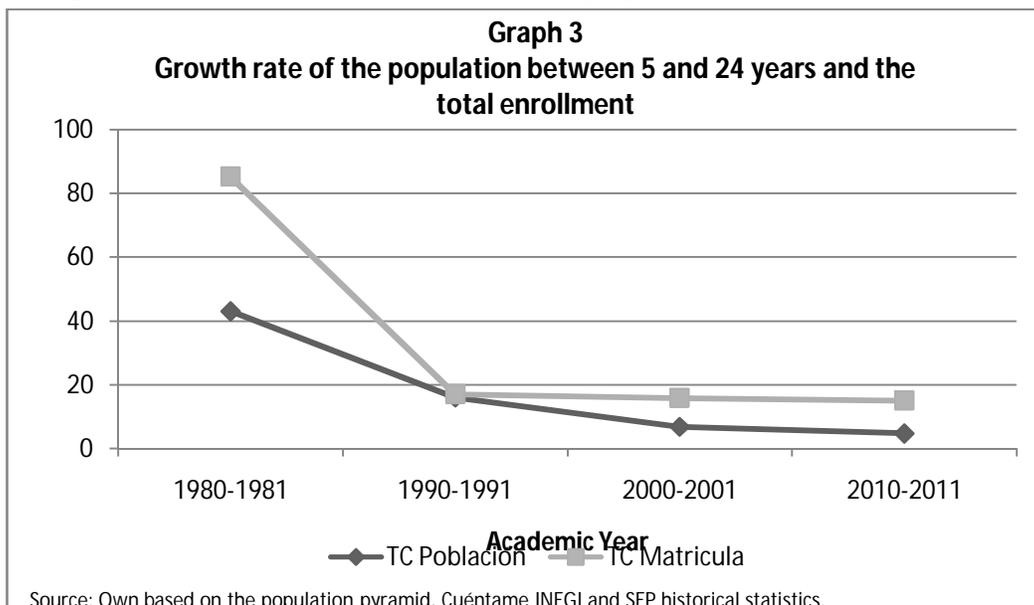


Because the primary level has been considered as basic since the period 1970-1971, the participation of the private initiative in this has been low. The secondary enrollment level was initially high, but then it decreased. The state intervention at this level inhibited the participation of the private initiative.

Moreover, it seems that the enrollment at the private schools at these two levels are related, which might tell us that when they converted to secondary education in basic students, which signed up in private primary schools, would be approximately the same as the ones who enrolled in secondary private school. The enrollment in the private schools at high school and undergraduate levels was in a similar situation as the secondary level during the period 1970-1971. Nevertheless, the State intervention at this level was lower, since it was not considered basic. Finally, it can be observed that the only enrollment with a growing trend at the private schools is at the undergraduate and graduate levels. For 2010, it included around the 32% of the total enrollment and 50% at the graduate level.

In the graph 1, it can be seen that enrollment at primary level grows quickly at first and then it settles. While the other levels rise at different rates. Therefore, if this trend continues the enrollment of secondary school will be equal to the primary one and if the enrollment at high school continues to grow at that rate in short term will reach to both. Although it seems that the graduate and undergraduate will do at the long term.

One of the main goals that were kept in mind when the secondary school became basic was that every student who has finished primary school had the opportunity to continue their studies - something that will be reached in the short term if the trends for the primary and secondary schools continue as they have been. In the first case, the enrollment at primary level has settled since the period 1980-1981, these is because of the decreasing rate of births and also because the rate of growth of population (TC Población) at a scholar age has been lower than the enrollment in this period (TC Matrícula), as it is shown in the graph 3.



As a conclusion, it can be said that there are less coverage problems at a secondary level, then at high school level and then at upper levels. Although the pressure has decreased, the enrollment continues being kind of a funnel: the more we approach the graduate levels the lower is the enrollment. The last situation is more meaningful in the upper levels because of the high presence of private universities.

6. Schooling level and wages

To determine the institutional segmentation, the National Household Income and Expenditure Survey (ENIGH abbreviation in Spanish) is used, which is provided by the National Institute of Statistic and Geography (INEGI abbreviation in Spanish). Representative years to show this are: 1984 (before Mexico opens its commercial sector), 1992 (when Mexico entered the General Agreement on Tariff and Trade), 2000 (when Mexico was already in the North America Free Trade Agreement), and 2006 (when the open market in Mexico had reached a certain level of maturity). In each of these single cases a data base was created which only contained the workers who said their income was based on remunerations only (wages, extra hours)¹⁸.

¹⁸ If they said they gained more than one wage, these were summed.

It is worth to mention that by making this exercise we got that the quantity of workers in 1984 was around 4,000 and in 1992 was a little lower than 10,000, in 2000 it was around 9,5000 and in 2006 it was near 20,000. On the one hand, it should be emphasized that the polls of 1984 and 1992 were made in a period in which the basic education only included primary education. On the other hand, that in 2000 and 2006 was including the secondary school in that category (nine years in sum).¹⁹ To realize this exercise, the workers were split, not by a certain salary level, but through the level of education they have reached: workers with basic education and workers with higher education other than basic.

To confirm our set purpose the wage return rates and the level of education were obtained for the four years mentioned. For this, eight models were developed. These were analyzed into four models for workers with basic education and the other models for workers with higher education- using maximum likelihood estimation²⁰ between the declared wage by the worker (as the dependent variable) and the level of education that he had reached (as the independent variable)²¹. The results are shown in the table 1.²²

Table 1: Returns to wages and schooling level

Year	Basic education	Non basic education
1984	14.02	10.61
1992	8.19	14.57
2000	6.25	17.00
2006	6.04	18.24

Source: Own with data of ENIGH 1984, 1992, 2000 and 2006.

Before Mexico opened its doors to external commerce, one can observe that the workers return with basic education was higher than the return of the workers with higher education. The performance of each new school year taken was higher for the workers with basic education, their wage per hour rises around 14.02%. While for the non basic education workers rise around 10.61%. Studying another year of basic education was more rewarding than doing it in a non basic level, although we must consider the studying years of this last one are greater.

In the different stages of the open market and commerce, two trends can be observed. In the case of the workers with basic education, their return tends to decrease, which on average makes the differences between wages with different education levels decrease. In the other case, workers with non basic education have a return that tends to increase, which makes a really differentiated average wage for the workers with this type of studies but with different levels. It seems that the open market and commerce revalued the non-basic education role. The income policies, chiefly on the demand side, have had an important effect on this. In the eighties were linked the rises in wages to the expected inflation rate by the government, which was named "Economic Solidarity Pact"²³. The last fact has triggered down the real wages, and this, as we have shown, has affected principally the workers with basic education. The above has also affected the familiar income for most of the Mexican population, which would provoke that those families would reduce their expenditures in tuitions and school needs. Lastly, another important situation is that by the years 2000 and 2006 the secondary and pre-school education had been incorporated to the basic education, so that, we hoped for this to be reflected in the results, but as it can be seen, this didn't modify the trend.

¹⁹ In the case of scholar levels, it was developed a unified coding scheme, because each year the coding was different. Therefore, the system used was: 0 for the workers that have never been in the school, 3 for the workers with primary uncompleted education, 6 for the workers who completed the basic education, 8 for the workers with uncompleted secondary school, 9 for the workers who completed the secondary school, 11 for the workers with uncompleted high school, 12 for the workers who completed high school, 15 for the worker with uncompleted undergraduate programs, 17 for the worker who completed a undergraduate program and 18 for the workers who completed a graduate program.

²⁰ With Stata 10 and the lf method, we obtained the proper estimators for big samples. One may say that using this method the results are the same as using least squares.

²¹ The wage was split between the worked hours to obtain the wage per hour and it was obtained the natural logarithm of the latter, so then, we obtained the natural logarithm of the wages per hour. In the case of studies, it took the classification indicated above and it was the only independent variable.

²² All the coefficients were meaningful in the 0.5 level. We must take in consideration that we are only using the educative factor to search for its effect in the wage, leaving out other variables that could affect it.

²³ Barcelata, H., Análisis del Pacto de Solidaridad Económica.

7. *Some aspects of the basic education workers*

With the same data base that has been used, we explored something we called “secondary sector” to further analyze the deeper aspects of it. The primary concern is that the workers with this kind of education in 1984 were 50% of the total. For 1992 the percentage decreased to 43%, when the basic education consisted only in primary school. For 2000, when the secondary school was incorporated to the concept of basic education, as one may hope, the percentage increased to 65%.

Nevertheless, in 2006 it decreased again to 60%. We can analyze that when the yield rate decreases, people might try to increase their schooling level to have the opportunity of increasing their wages. Given that in year 2000, three years of basic education were added, the percentage grew. But this did not give any reward, so the ones which could achieve higher school levels might find their way to better wages and better labor conditions. In this context, we must say that in these four years, the jobs that were occupied by most of these workers were laborers, craftsmen, workers in production processes in the primary sector and helpers. Another kind of jobs with lower occupation that this kind of workers performed was in the area of public and personal services. The last are examples of jobs that do not even need a required level of education or some kind of preparation. It is also remarkable the elevation that have had the occupation of this kind of workers in the maid services and peddlers. By last, there exists a surprising occupation that one may think requires some kind of preparation for performing it but many of these types of workers fill: public, social and private functionaries. This kind of job has a low percentage of occupation by them, but pays higher wages than the others workers with basic education could reach.

Regarding the above, we must consider the behavior of their wages and bear in mind that they are nominal in the databases. For us to compare them we may use a pattern. The pattern is based on the minimum nominal average wage which was paid in each of the years.²⁴ After that, we search for the minimum real wage on the data base of the Secretary of Labor and Social Prevision in Mexico.²⁵ The minimum real national wages, taking 1993 as the base year, in Mexican pesos were: for 1984 of \$24.56, for 1992 of \$14.18, for 2000 of \$10.85 and for 2006 of \$10.48. With this data we calculated the percentage that they represented using as base 1984.

For example the wage of 1992 represented the 57.74% of the 1984 in real terms.²⁶ Then, we could obtain the proportionality between these values, for us to obtain the minimum real wage of 1992, using as base 1984. Performing the last, we have the next wages: for 1992 is \$692,587.46 (old pesos²⁷), for 2000 is \$2,573.56 and for 2006 is \$3,421.61. Using this data, we proceeded to look at the average wages of this sector. We found that the wages for these workers, in their different occupations, stayed lower than the two minimum wages (the standard deviations are located around one minimum wages). As we emphasized previously, the only exception was the occupation of functionary places in the public, private and social sector case, because their wages stayed above the two minimum wages obtained. Because of the above, one must mark that even with the increase in the years of education the labor conditions have changed little. Perhaps it can be observed greater volatility in the occupations and a mild improvement, but, in general, the conditions remain very similar.

8. *Some conclusions*

There is no evidence of a strict duality, because, although the yield rates between the wages and school have decreased for workers with basic studies, these remain positive. However, given the poverty levels and the wages gained in the secondary sector, if there are not institutional facilities, the children of these families will not reach upper levels for them to break the cycle of poverty. Only families with enough income could make that their children to reach those levels (like undergraduate and graduate studies). The lower income families will have problems for their children to reach these levels; unless they have the intellectual ability or luck to access a high school recognized and accepted by the public university system.

²⁴ The data was obtained in the page MEXICO MAXICO (Aguirre, 2013). As the wages are monthly and the data that was given in the page is the minimum daily nominal wage, to find the monthly one, in each case, it was multiplied by 30, as an approximation.

²⁵ Minimum Wages National Commission, Secretary of Labor and Social Prevision, Mexico.

²⁶ In the same way were obtained the years 2000 and 2006.

²⁷ It must be considered that these values were obtained considering the value of peso when has not had removed the three zeros from its denomination.

Moreover, because of the average wage trend for the ones who only obtain basic education and the occupations in which they are situated, we suppose that a stigma is being generated, in the sense of considering, in this sector, average group productivity and not the individual's productivity. Considering the above, we believe that perhaps what we could say, if things do not change, it is a dynamic that is and will be splitting the labor market through access to education.

Taking in consideration that the growth in productivity and investigation are essential for growth and development of a capitalist society, since the point of view human capital theory it should invest more in the training of human resources. Múgica holds that Becker said that "if there had not been families worried about the offspring education, the economic development at the middle of the last century in the United States had never taken place. Many families sent their children to the universities instead to work, which made the human capital of the country to be optimum." That is, there is no development without sufficient education. In this sense, in the last years, both government and private initiative, have been trying to unlock the barriers that keep off the students to enter to undergraduate and graduate levels of education through scholarships or social programs, because they realized this problem will have future consequences.

In fact, the Mexican government trying to remedy this problem, decreed in 2012 that basic education must contain high school, keeping in mind the same objective it had when it did the same with secondary school in 1993, that the teenagers can have a better preparation and capacity of social mobility to reach welfare for them and their progeny. However, as it was shown, the circumstances for the workers with basic education have not changed for the last years. And if things do not change in the middle term, the policy of adding the high school to the concept of basic school will not be promising, the same thing that happened when the secondary school was added. In this sense, we think that for some many years, the public education has gained the stigma, within many of the population, of being of bad quality.

This perception increases talking about basic education and could be spread to the high school education perception in the years to come. But also, it is a perception that has been inserted in the core of the society, so that it is a way for the secondary sector entrepreneurs to set bad jobs and low wages. That is, it can be the case that with the increase of basic school years, the stigma will spread, condemning to many of the teenagers to work in poor labor conditions (bad jobs and low wages). The increase in the educative coverage has let, in a certain way, to massive the education at different levels which in a definite sense has benefited the poorest sectors. Nonetheless, there has not been an improvement in the quality of public services of education. The increase in the coverage and the access has not resolved the infrastructure (core) problems, quality, lack of relevance of the curricular contents and the equity, which has not allowed the enough plenty development of the individuals. The coverage has expanded, but the quality of education has been diluted and the bad quality of education at the primary level has spread into the secondary and if this does not change the high school education may be affected.

9. References

- Aguirre, Manuel, Evolución del Salario Mínimo diario en México de 1935 a 2012, MEXICO MAXICO.[Online] Available: <http://mexicomaxico.org/Voto/SalMinInf.htm>(February 22, 2014).
- Barcelata, H., "Análisis del Pacto de Solidaridad Económica". [Online] Available: <http://www.eumed.net/librosgratis/2008b/383/ANALISIS%20DEL%20PACTO%20DE%20SOLIDARIDAD%20ECONOMICA.htm>(July 18, 2014).
- Basu, K. (2013). Más allá de la mano invisible: fundamentos para una nueva economía. Ed. Fondo de Cultura Económica, México.
- Becker, Gary S. (1987). Tratado sobre la Familia. Alianza Universidad. Madrid.
- Brent, E. (1991). The Practice of Econometrics: classic and contemporary, Addison-Wesley, United States of America.
- Cámara de Diputados del H. Congreso de la Unión, Ley General de Educación, Publicada en el Diario Oficial de la Federación el 13 de julio de 1993, México.
- Cámara de Diputados del H. Congreso de la Unión, Constitución Política de los Estados Unidos Mexicanos. [Online] Available: <http://www.diputados.gob.mx/LeyesBiblio/pdf/1.pdf>(February 22, 2014).
- Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL), Resultados de pobreza a nivel nacional y por entidades federativas 2010-2012, México. [Online] Available: <http://www.coneval.gob.mx> (February 21, 2014).

- Comisión Nacional de Salarios Mínimos, Salario Mínimo Real Promedio Nacional (base 1993), Secretaría del Trabajo y Previsión Social, México. [Online] Available: <http://www.conasami.gob.mx> (February 14, 2013).
- Dickens, W. and Lang, K. (1985). A Test of Dual Labor Market Theory. *The American Economic Review*, Vol. 75, N° 4, September, 792-805.
- Instituto Nacional de Estadística y Geografía, Cuéntame, México. [Online] Available: <http://cuentame.inegi.org.mx/poblacion/habitantes.aspx?tema=P>(March 9, 2014).
- Instituto Nacional de Estadística y Geografía. (1984). Clasificación Mexicana de Ocupaciones (CMO), Vol. II. [Online] Available: www.inegi.gob.mx(February 2, 2014).
- Instituto Nacional de Estadística y Geografía. (1984). Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH). [CD-ROM] México: INEGI.
- Instituto Nacional de Estadística y Geografía. (1992). Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH). [CD-ROM] México: INEGI.
- Instituto Nacional de Estadística y Geografía. (2000). Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH). [CD-ROM] México: INEGI.
- Instituto Nacional de Estadística y Geografía. (2006). Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH). [CD-ROM] México: INEGI.
- Instituto Nacional de Estadística y Geografía (INEGI). Estadísticas Sociodemográficas, Población Total Según Sexo 1950 a 2005. [Online] Available: www.inegi.gob.mx (October 9 2014).
- Instituto Nacional de Estadística y Geografía (INEGI). Censo de Población y Vivienda 2010. [Online] Available: www.inegi.gob.mx(October 7, 2014).
- Hopenhayn, M. (coord.), Juventud y cohesión social en Iberoamérica: un modelo para armar, Comisión Económica para América Latina y el Caribe (CEPAL), Santiago de Chile, 2008. [Online] Available: www.eclac.org(February 20, 2015).
- Juhn, C., Murphy, K. y Pierce, B. (1993). Wage inequality and the rise in returns to skill. *Economy*, 101(3), 410-442.
- Lewis, W. A. (1973). Desarrollo económico con oferta ilimitada de mano de obra. A. N. Agarwala y S. P. Singh (comp.), *La economía del subdesarrollo*, Madrid, Tecnos, 333-374.
- Luyando, José R. (2011). Microeconomía de un mercado de trabajo dual: una reconsideración al Modelo de Salop. *Trayectorias*, Número 32, enero-junio, 71-93.
- Luyando, José R. (2013). Desigualdad salarial: antes y durante la apertura comercial mexicana. *Revista Le Bret*, Número 5, 29-50.
- Luyando, José R. (2015). Costs in Education: A Factor that could Influence in the Segmentation of the Mexican labor Market. *American International Journal of Social Science*, Vol. 4, N° 5, October.
- McNabb, R. and Ryan, P. (1990). Segmented labor markets. In Sapsford D. and Tzannatos Z. (eds), *Current Issues in Labor Economics*, Macmillan, London.
- McNabb, R. y Psacharopoulos G. (1981). Further evidence of the relevance of the dual labor market hypothesis for the U.K.. *The Journal of Human Resources*, Vol. 16, N°3, 442-448.
- Múgica, J., "Familia, factor decisivo de una buena economía". [Online] Available: <http://www.fluvium.org/textos/familia/fam489.htm>(July 21, 2014).
- Piore M. (1978). Dualism in the labor market: a response to uncertainty and flux, the case of France. *Revue économique*, Volume 29, N° 1, 26-48.
- Reich, M., Gordon D. and Edwards R. (1973). A Theory of labor market segmentation. *The American Economic Review*, Vol. 63, N°2, 359-365.
- Secretaría de Educación Pública, Estadísticas Históricas del Sistema Educativo. [Online] Available: <http://www.dgpp.sep.gob.mx>(February 13, 2013).
- Smith, A. (1776/1994). *An Inquiry into the Nature and Causes of the Wealth of Nations*, New York: The Modern Library.
- Wachter, M. (1974). Primary and Secondary Labor Markets: A Critique of the Dual Approach. *Brookings Papers on Economic Activity, Economic Studies Program*, The Brookings Institution, vol. 5(3), pages 637-694.