

ABSTRACTS

ARE THE POVERTY INDICES RIGHT IN TIME OF CRISIS?

GENARO AGUILAR GUTIERREZ

In this paper are presented the principal indices to measure the poverty in time of crisis. The author analyses the effect that an income reduction of a poor people has on the presented poverty indices. Finally, he obtains the sensibility curves associated with such indices and compares them to observe the net effect of a regressive transfer on such indices.

TARIFF POLICY AND PROTECTION OF THE CORN MARKET IN MEXICO

JOSE ALBERTO GARCIA SALAZAR

This paper analyzes the tariff rate efficiency of the general import tax as a protection instrument of the corn market through a spatial and temporary equilibrium model. The results indicate that a duty of 3% is not effective to

protect the national corn production. Meanwhile, a tariff rate of 45% would have put imports on similar levels to the duty free quota established in the NAFTA agreement.

THE 2001 RECESSION IN UNITED STATES

ELAINE LEVINE

This article analyzes the recession that occurred in 2001 in the United States and the discussions that arose at the time about the possible length and depth of the economic downswing. It reviews the economic growth of the nineties and points out some of the first signs that the extraordinary ten year expansion was coming to an end long before september 11. It discusses the Bush administration's affirmations that the

economy is well on its way to recovery. The article concludes by ascertaining that one of the most long lasting effects, of what appears to have been a mild recession, will probably be more inequality of incomes in the US, as was the case with the previous recession.

FOREIGN DIRECT INVESTMENT AND THE SUPPLY OF CREDIT IN MEXICO

RAMON A. CASTILLO PONCE

The document evaluates the importance of foreign capital flows on the supply of credit in Mexico. The analysis shows that, although the flows of foreign direct investment and the supply of credit are positively correlated, the series do not share a common cycle or a common trend and there is no causal relationship in

the sense of Granger among them. These results indicate that the assumption that flows of foreign direct investment affect the conditions of the credit market should not be made.

THE DAMAGES FROM INVADING IRAQ

**EDWARD NELL AND WILLI
SEMMLER**

The Administration says basically that only a 'regime change' in Iraq will suffice to protect us from the threat of weapons of mass destruction. Moreover such a change will bring democracy to Iraq and will contribute to peace throughout the region.

