

Maquiladora Family Living Costs

This article is the first in a series on dispelling the myth that sweatshop wages are living wages in low income countries. Here we will show you what it costs to support a typical family if you are doing assembly work for consumer electronics manufacturers in Mexico.

The text of this article was reprinted with permission from Julia Quiñonez of the Comité Fronterizo de Obreros (CFO). Muchas Gracias Julia! Please support our amigos in Mexico, <http://www.cfomaquiladoras.org/>.

Maquiladora Wages are Not Living Wages

Maquiladora workers know that the wages we receive do not allow us to meet the needs of our families. As CFO members have talked over the economics of our families, we have developed three categories to help show how we think about our expenses. The three categories are:

- * **Minimum Expenses:** shows the basics that are necessary for family survival. Usually we can afford these.
- * **Model Expenses:** explains what we would need for a real living wage - a family diet that would sustain the health and well-being of our families.
- * **Mandatory Expenses:** shows items we have no choices about spending our money on, and no real way of finding more economical alternatives.

Expense Table

Weekly household expenses list for a family of four. Piedras Negras, September 2006

Weekly Expenses (Pesos)

Weekly Expenses (US Dollars)

Minimum Expenses

615.58

\$57.00

Model Expenses

Fair Workplace Council is a California based nonprofit organization dedicated to living wages and safe working conditions in the manufacture of consumer electronics.

For more information contact us: www.fairworkplace.org. or e-mail us: info@fairworkplace.org



©2007 by Fair Workplace Council. Original content created by Fair Workplace Council is available under a creative commons license. Some information and images are provided by third parties and are subject to copyright license of the original owner.

362.00

\$33.52

Mandatory Expenses

650.01

\$66.06

Total Expenses

1627.59

\$150.70

Our work upholds Article 90 of the Mexican Labor code, which states:

"The minimum salary ought to be sufficient to cover the normal necessities of the head of the family, in the material, social, and cultural realm, and to cover the compulsory education of the family's children."

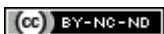
How CFO Determined the Cost of Living

The CFO helped carry out a study all along the border, in collaboration with the Connecticut-based Center for Reflection, Education, and Action (CREA; see http://www.crea-inc.org/pdf_files/ppi_reports/Mexico%20PPI%202000-English.pdf .) Entitled "Making the Invisible Visible: Buying Power Among Mexico's Maquiladora Workers in 2000," this study, which was published in June 2001, demonstrated that maquiladora workers needed four to five times Mexico's legal minimum wage in order to attain a very modest living wage. In other words, our country's legal minimum wage is no more than 25 percent of a living wage, if that much. Because of this, the minimum wage in Mexico is not a useful number for understanding our wages and our true cost of living.

For example, the CREA study showed that in Piedras Negras, the legal minimum wage provided only 24.4% of a sustainable living wage. In Ciudad Acuña, the percentage was 26.6%. With growing poverty throughout Mexico , this percentage may be even lower today.

Maquiladora Wages Not Adequate

The maquiladora industry claims to pay twice the legal minimum to workers in their production lines. Even this wage level, however, covers barely half of what our families need, as we have



©2007 by Fair Workplace Council. Original content created by Fair Workplace Council is available under a creative commons license. Some information and images are provided by third parties and are subject to copyright license of the original owner.

demonstrated in the discussions among our membership that generated the tables on this page. Maquiladora management argues that they do more than what the law requires. They would have to increase our wages by 100 percent - that is, pay twice what they are paying us now - to allow us to live with a very modest level of dignity.

Cost of Staple Items in Mexico vs US

Costs on the Mexican side of the border are equal or greater than on the U.S. side

Many people do not know that the cost of a wide variety of products, from the most basic foodstuffs to clothing and entertainment, can be equal or greater on the Mexican side of the border. People who live here have always known this; that's why on the weekends we join the long lines of people crossing the border to go shopping - not to buy luxury goods, but to bring back necessities like milk for our children, sliced bread, or toilet paper.



©2007 by Fair Workplace Council. Original content created by Fair Workplace Council is available under a creative commons license. Some information and images are provided by third parties and are subject to copyright license of the original owner.