

LIVING ON A MAQUILA WAGE

Following is an exercise that could be used in high school or college classes or with adults to illustrate how maquiladora families must struggle to make ends meet and some of the daily decisions they make about what to do without.

The exercise is based on the study called Making the Invisible Visible; A Study of Purchasing Power of Maquila Workers in Mexico 2000 (short version, by Ruth Rosenbaum, sponsored by Center for Reflection, Education & Action, The Coalition for Justice in the Maquiladoras, and The Interfaith Center for Corporate Responsibility).

This exercise was developed by Judy Ancel, Cross Border Network for Justice & Solidarity, Kansas City, Missouri.

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You and your 16 year-old daughter work in maquiladoras in Nuevo Laredo. You may work at Delphi making wire harnesses for the Big Three automakers or at Mead making Big Chief school tablets, or perhaps at Sony making video and audio cassettes and computer disks, or at Emerson-Wiegand making electric heaters. You earn 550 pesos a week and have eight years seniority. You are at the top of the pay scale for laborers and constantly are worried that you'll be fired and replaced by someone younger and cheaper. You're 35 years old. Your daughter earns a little more than the minimum wage of (37.40/day), typical for girls just entering the work force. She makes 280.46 pesos per week. Both of you work a 48 hour week -Monday through Saturday. Overtime is sporadic and welcome. Your spouse takes care of the house, and you have a son age 8 who goes to primary school.

Your combined weekly income is 830.46 pesos take home pay. You also get 50 pesos a week in food coupons, which must be used, at the local Gigante supermarket. Based on average prices for living expenses for your family of four, calculate what you can afford for the week.¹ You will have to make choices as you cannot afford everything you need. You can consider eating less or buying cheaper, less nutritious food, pulling your boy out of school where you must pay for uniforms, school supplies and textbooks, moving to a shack where you'll still have to pay for water, gas and transportation, but may not be able to get electricity and won't have to pay rent. You can also cut back on non-consumables like clothes, household equipment, etc. Also, forget about selling the TV or car, you don't have either.

The average rate of exchange for the year 2000 was 9.46 pesos to the (US) dollar. So your combined weekly income in dollars is \$87.81. Work out your weekly budget in pesos.

Item	Cost in Pesos per week for family of 4	Cost in minutes of work at minimum wage	Cost in Dollars	Will you get this item? Put cost in this column if yes
Housing and related costs²	380.00p	3,965		
Rent	177p		\$18.72	
Electricity	52p		\$5.50	
Gas (cooking)	31p		\$3.28	
Water	28p		\$2.96	
Transportation ³	92p		\$9.73	
Clothing⁴	29.38p	307	\$3.11	
Non-consumables⁵	36.00p	376	\$3.81	
Food⁶	910.33p	9,499	\$96.27	
Total	1355.31p	14,163.23	\$143.33	830.46p + 50p food coupons

Prices and purchasing power

One way of translating the cost of living so we can understand it without having to trouble with exchange rates and inflation is to put items needed in terms of minutes you must work to buy them. This is called *Minutes of Purchasing Power at Average Minimum Wage* (Min PP). For example a half-gallon of milk in border towns averaged 18.90p in 2000 and took 197 minutes of work at the minimum wage of 37.40p a day. In our example above it would take five people working full-time at the minimum wage to earn this modest living standard. Many maquila workers earn the minimum. How long do you work to buy a half gallon of milk? Here's some sample information on supermarket prices and Min PP to buy them.

Item	Quantity	Price in pesos	Min PP at average Minimum wage	Price in US Dollars
Milk	½ gallon	18.90p	197 min.	\$2.00
Lettuce	1 head	5.17p	54 min.	\$0.55
Tomatoes	1 kg (2.2 lbs)	9.37p	98 min.	\$0.99
Drinking water	1 gallon	8.94p	93 min.	\$0.95
Tortillas	1 kg (2.2 lbs)	4.53p	47 min.	\$0.48
Eggs	30	17.36p	181 min.	\$1.84
Rice	1 kg (2.2 lbs)	6.69p	70 min.	\$0.71
Chicken	1 whole	21.20p	221 min.	\$2.24
Ground beef	1 kg (2.2 lbs)	29.04p	303 min.	\$3.07
Toilet paper	6 rolls	12.59p	131 min.	\$1.33
Notebook	1	13.52p	141 min.	\$1.43
Boy's sneakers	1 pair	88.97p	928 min.	\$9.40

¹ Source: *Making the Invisible Visible; A Study of Purchasing Power of Maquila Workers in Mexico 2000* (short version, by Ruth Rosenbaum, sponsored by Center for Reflection, Education & Action, The Coalition for Justice in the Maquiladoras, and The Interfaith Center for Corporate Responsibility). This study of hundreds of maquiladora workers in 15 cities in Mexico uses the standard of a *sustainable living wage*, which is defined as a "Wage level that meets basic needs including food, clothing, housing, energy, transportation, health care and education. Gives a worker the ability to participate in culturally required activities (including births and related celebrations, weddings, funerals and related activities). Also allows for the setting aside of small amounts of money (savings) to allow planning for future purchase of items and the meeting of needs."

² This assumes you don't live in a shack, that you have electricity and water for drinking and for washing (non-potable), and a propane tank for cooking fuel.

³ Includes cost of transportation only to and from work and to shop.

⁴ Includes pro-rated cost of two sets of clothing per year for each adult and four sets for children. One pair of shoes per year for each family member.

⁵ Includes pro-rated cost of bedding, one towel and washcloth each, basic cooking and eating utensils, laundry and house cleaning supplies, basic tools and building supplies including meager savings (18 p/wk) toward future purchase of bigger items like furniture or refrigerator

⁶ Dietary guidelines and caloric intake based on USHHS and USDA recommendations for appropriate age and activity levels are converted into numbers of servings per day of various food groups. The cost of food is based on the following: Children 2-6, women, some older adults: 1,600 calories/day. Older children, teen girls, active women, most men: 2,200 calories/day. Teen boys, active men: 2,800 calories per day. This includes grains, vegetables, fruit, milk, and meat & bean groups.