

Mexico

Overview

Commodities

Dashboard

Context

Wages

What's happening

23%

Population below international poverty line

variable

National minimum wage

€483

per month

Rural living wage

12%

Agricultural workforce

3%

Agriculture share of GDP

3

medium

Risk to workers' rights

Context

Mexico's population is roughly 129 million.^[1] The country is highly urbanized, with 81% of its population living in cities^[2] and only 19% inhabiting rural areas.^[3] The agricultural sector employs 12% of the workforce^[4] and represents 3% of the national GDP.^[5]

Although Mexico is considered the second largest economy in Latin America, it is characterised by severe rural poverty and social inequalities. These issues are especially relevant to indigenous peoples who represent the majority of the rural population. The Mexican agricultural sector faces significant problems, including degraded natural capital and poor rural development mechanisms, which lead to low productivity, insufficient incomes, and poor living conditions for farmers. In addition, products that create key markets for smallholder farmers, like coffee and white corn, are highly vulnerable to climate impacts.^[6]

The top produced commodities in Mexico are sugar cane, maize, cow milk, oranges and sorghum.^[7] Mexico's top export of agri-food commodities in terms of quantity are beer of barley, tomatoes, avocados, chilies and peppers and raw sugar.^[8]

Wages

Minimum wage

The minimum wage in Mexico varies greatly per sector, and differs between Mexico's free trade zone and the rest of the country.^[9] In any case, the minimum wage remains way too low, even below the World Bank poverty line. In all sectors employees use the "hours-bank" method, increasing or decreasing the workhours of employees depending on the workload, to avoid paying overtime. Tax evasion and avoidance of social security payments to workers is also common by companies which employ workers informally. Conditions are especially bad in the agricultural sector, where employers often pay workers based on certain harvest quotas instead of paying them per week as mandated by law. In this sector, cases of modern slavery and wage withholding persist. There are farms where employers prohibit workers to leave the farms premises until the end of the harvest season, refuse to pay wages and even make violent threats.^[10]

Living wage

The **Global Living Wage Coalition** has developed 2 Living Wage Benchmarks based on the Anker methodology, one for the non-metropolitan urban and rural areas of the Michoacán region in Mexico, and one for Baja California.

The estimated living wage in the northwest of Michoacán, Mexico, for a family of 4 with 1.63 workers is 11,782 Mexican pesos (483 EUR) per month. This is the wage required for workers in the Michoacán region to afford a basic but decent standard of living. Agriculture is a key economic activity for the region. This region is one of the most important for the agricultural production of many basic commodities such as avocado, strawberry, berries, sugar and corn. The estimated living wage is about 3 times higher than Mexico's current minimum wage, and more than twice the average monthly earnings of agricultural employees.^[11]

The living wage for Baja California has been estimated in two municipalities, Ensenada and San Quintín. Ensenada is a predominantly urban municipality, while San Quintín is mainly rural and with small towns. Because of that, in Ensenada, the estimated living wage is MXN 15,929 (653 EUR) per month, while for San Quintín, the value is 15,009 Mexican Pesos (615 EUR) per month for a family of 4 with 1.71 and 1.69, respectively. Baja California is the number one national producer of onions and flowers; the second national producer of red tomato, strawberry and cotton; and comes third in the production of raspberries, grapes and asparagus. Even so, agriculture's contribution to the national economy is not reflected in the majority of workers' wages. The study showed that the minimum wage in Baja California is 2.4 times lower than the estimated living wage in the municipality of Enseada and 2.3 times lower than that of San Quintín.^[12]

What's happening

RESOURCE

[Living Wage Benchmark, Baja California, Mexico](#)

Living wage estimate for workers to be able to afford a basic but decent living standard in the municipalities of Enseada and San Quintín, Baja California, Mexico.

RESOURCE

[Living Wage Benchmark, non-metropolitan Michoacán, Mexico](#)

Living wage estimate for workers to be able to afford a basic but decent standard of living in the Michoacán region of Mexico.

RESOURCE

[Fairtrade Coffee Impact in Mexico, Indonesia, Peru and Tanzania](#)

This report explores how and to what extent small coffee farmers benefit from

RESOURCE

[Small Producer Organization Development: A 6 country study](#)

This research identifies the conditions to develop and strengthen small producer

Footnotes

1. World Bank (2020). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=MX>
2. World Bank (2020). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=MX>
3. World Bank (2020). <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=MX>
4. World Bank (2020). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=MX>
5. World Bank (2019). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=MX>
6. IFAD. Countries: Mexico. <https://www.ifad.org/en/web/operations/country/id/mexico>
7. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country
8. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
9. Wage Indicator Foundation (2021). Minimum Wage-Mexico. <https://wageindicator.org/salary/minimum-wage/mexico>
10. U.S. Department of State. 2019 Country Reports on Human Rights Practices: Mexico. <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/mexico/>
11. Global Living Wage Coalition (2020). Anker Living Wage Reference Value: Michoacan, Mexico- Non-metropolitan Urban and Rural Northwestern Regions 2020. https://www.globallivingwage.org/wp-content/uploads/2021/01/LW-Report_Michoacan_2020.pdf
12. Global Living Wage Coalition (2021). Anker Living Wage Reference Value: Baja California, Mexico 2021. <https://www.globallivingwage.org/wp-content/uploads/2021/11/Baja-Cali-LW-Benchmark.pdf>