

Ten percent of Mexican families earn two thirds of country's income

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A new study by the United Nation's Economic Commission for Latin America and the Caribbean (CEPAL) reveals that economic inequality in Mexico is much higher than had been previously estimated. According to the study, the top 10 percent of Mexicans received over two thirds of the country's income in 2012, while the bottom 10 percent earned just 0.4 percent that same year. This level of inequality is 77 percent higher than what had been previously calculated using official data.

According to the study, the richest 1 percent of Mexicans—between 125,000 and 220,000 people—own one third of the country's assets. Meanwhile, half of the population—over 60 million people—lives in poverty. If the country's wealth were to be equally divided among the population, each individual would receive a lump sum of \$56,300, an amount greater than one person working at the minimum wage would earn working every day for 30 years.

After two centuries of vast improvements in the productive process, contemporary levels of inequality have reached standards not seen since feudal times. In nineteenth century New Spain, a mine's owner earned between 700 and 1,000 times more than an average miner. In 2012, the top 1 percent earned 729 times more than the bottom 1 percent.

The results of the study would place Mexico, alongside Chile, as the countries with the highest levels of inequality in the Organization for Economic Co-operation and Development (OECD), an organization encompassing supposedly “developed” countries.

Most workers in Mexico—some 24 million people—work without a contract or as temporary workers. One out of every five Mexicans goes hungry, and the daily minimum wage (\$5 USD) is not sufficient to support a family. Over half of the population does

not earn enough to cover basic expenses, such as food, clothing, transportation, and housing. According to a 2015 report by Oxfam, the wealth of Mexico's 16 billionaires multiplies each year, while 48 percent of state schools have no access to sewage, 31 percent have no drinking water, 13 percent have no bathrooms or toilets, and 11 percent have no access to electricity.

The study lays bare the degree to which financial corporations, many from the United States, have come to dominate every aspect of life in Latin America, producing widespread social misery while filling the pockets of the top 1 percent and the next 9 percent.

In Mexico, the average yield from capital has been 15 percent annually in recent years, compared to a rise in the average industrial wage of only 4 percent per year. Eighty percent of financial assets in the country are in the hands of 10 percent of the population. A mere 23,000 people and corporations control about one fifth of the country's financial assets, while half of the population does not even have a bank account.

The vast monopolization of the economy is also present outside of the financial sector. Six hundred companies own 64 percent of assets in the manufacturing sector, 40 companies own one-third of assets in retail, and 22 companies own 89 percent of assets in the telecommunications sector. Overall, just 10 percent of Mexican companies control 93 percent of the country's assets.

While nominally owned by Mexican firms, these companies are overwhelmingly controlled by US finance capital. In 2015, Delta Air Lines announced plans to acquire up to 49 percent of Aeroméxico, the airline with the highest domestic market share and second highest international market share in the country. Delta's majority shareholders are Berkshire Hathaway, Vanguard, and J.P. Morgan. Vanguard is

also the largest shareholder of Bachoco, the country's largest chicken producer, while mutual fund company Dodge & Cox is a leading shareholder of Mexican multinational building materials company CEMEX.

The claims of various pseudo-left groups that Chinese trade in Latin America has supplanted US hegemony in the region are nothing short of absurd. As the figures from the CEPAL study lay bare, it is US finance capital that calls the shots in the Mexican economy. Their cries of “Chinese imperialism” serve to obscure the reactionary role of the US in the region and to position their own forces as willing partners in the suppression of working class opposition.

These conditions of mass misery and want have created a social powder keg, where further attacks on the living conditions of the working class can generate reactions—such as the spontaneous *gasolinazo* protests that erupted throughout the country earlier this year—that could explode into a massive movement throughout Mexico, and even throughout the continent.

In this context, Andrés Manuel López Obrador of the “left” Movement for National Regeneration (Morena) is seeking to channel this social anger into a nationalist program that blames “corruption” and the “mafia in power” for massive inequality in Mexico.

In fact, the growth of millionaires and inequality in Mexico is the inevitable outcome of capitalist economic relations, where the socially produced labor of workers enriches the private owners of the means of production. López Obrador speaks for the “next 9 percent” of Mexican society, who seek better terms for the Mexican bourgeoisie from US finance capital and are deeply hostile to the Mexican working class.

As the CEPAL study's figures starkly reveal, any significant improvement in the lives of the Mexican masses will require a direct attack on the wealth of the ruling class, in Mexico and around the world. This reallocation of wealth from the pockets of the few to the benefit of the masses can only take place in a struggle for international socialism in unity with their North and South American class brothers and sisters.



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