

Published: 05.02.2005

Mexican pol calls for minimum- wage boost

THE ASSOCIATED PRESS

MEXICO CITY - Mexico's most popular politician, leftist Mexico City Mayor Andres Manuel Lopez Obrador, said Sunday that he supports raising the country's minimum wage at about 2 percent above the inflation rate in a bid to make up for lost purchasing power.

But workers say that Mexico's \$4.25-per-day minimum wage would have to increase by at least 300 percent to even begin to buy the basic necessities.

Lopez Obrador, who earlier proposed a welfare system "from the cradle to the grave," said in a May Day press conference that his wage proposal was needed to gradually make up for two decades of falling purchasing power.

"The wage increases have to be above the inflation rate, so that wages no longer decline and can gradually recover what they have lost in the era of free-market policies," Lopez Obrador said.

"Since 1980, the minimum wage has lost about 60 percent of its purchasing power, and the problem of unemployment hasn't been solved, so people, especially young people, are emigrating to the United States," Lopez Obrador said.

But the 2 percent solution - which the mayor has implemented in Mexico City, on top of the country's 4.5 percent inflation rate - just won't be enough, said Gustavo Arteaga, an activist from Mexico's Nuclear Workers Union participating in a May Day march in downtown Mexico City.

He said workers need at least 175 pesos per day (about \$15.75) just to get by.

"We need a planned economy and controls on inflation, so that our wages won't fall," Arteaga said as he watched the crowd burn an effigy of President Vicente Fox and former President Carlos Salinas de Gortari.

Lopez Obrador has proposed more state support for Mexican industries and more reliance on oil production.

After losing value throughout much of the 1990s, Mexico's minimum wage has slowly begun recovering a bit of its purchasing power. In real terms, however, it still remains well below the value it had in 1994, the year of the Mexican peso devaluation and economic crisis.

All content copyright © 1999-2005 AzStarNet, Arizona Daily Star and its wire services and suppliers and may not be republished without permission. All rights reserved. Any copying, redistribution, or retransmission of any of the contents of this service without the expressed written consent of Arizona Daily Star or AzStarNet is prohibited.

Ads by Google

Macroeconomic Advisers • www.macroadvisers.com

US economic modeling, forecasting, and commentary

Economy In Crisis • www.economyincrisis.com

Informative articles about the state of the U.S. economy

Free Productivity Tools • Free_Profit_Whitepapers.Journyx.com

Automate Billing & Project Tracking Track Time & Expenses. Now Free!