

THE MINIMUM INCOME STANDARD FOR FOUR OF MEXICO'S LARGEST CITIES

Marcelo Delajara
Editor



Centro de Estudios®
Espinosa Yglesias
PROMOVEMOS LA IGUALDAD
DE OPORTUNIDADES

**MINIMUM INCOME STANDARD
FOR FOUR OF MEXICO'S
LARGEST CITIES**

CEEY's Board

Amparo Espinosa Rugarcía

President

Amparo Serrano Espinosa

Vice President

Julio Serrano Espinosa

Secretary

Manuel Serrano Espinosa

Treasurer

Roberto Vélez Grajales

Executive Director

Espinosa Yglesias Research Centre

CEEY Editorial

© Centro de Estudios Espinosa Yglesias A. C.

Abasolo 152, Del Carmen, Coyoacán,

C.P. 04100. Mexico City

Citation recommendation: J.D. Aban Tamayo, M. Becerra Pérez, M. Delajara, L. León Robles, L. Valadez-Martínez (2021). *The Minimum Income Standard for Four of Mexico's Largest Cities*, Mexico, Espinosa Yglesias Research Centre

MINIMUM INCOME STANDARD FOR FOUR OF MEXICO'S LARGEST CITIES

Jesús David Aban Tamayo, Mariana Becerra Pérez,
Marcelo Delajara and Lorenzo León Robles, with Laura Valadez-Martínez

Marcelo Delajara
Editor



Centro de Estudios®
Espinosa Yglesias
PROMOVEMOS LA IGUALDAD
DE OPORTUNIDADES

PROLOGUE

CEEY AND THE DISCUSSION ON THE NORMATIVE MINIMUM LEVEL OF WELFARE IN MEXICO

Mexico was one of the 15 richest countries in the world in 2019, in terms of the aggregate size of its economy. According to the World Bank, Mexico ranks as a medium-income country in the international classification of income per capita. However, Mexico has a very unequal income distribution and one of the highest Gini coefficients in the world: the richest one percent receives 21 percent of the total population's income each year. In addition, it is also a country with low social mobility; therefore, inequality and the percentage of population living in poverty due to low income (almost fifty percent) are very persistent over time. Given the confluence of these factors, the Mexican economy grows very slowly, which limits society's ability to break out of poverty and inequality traps.

5

At the Centro de Estudios Espinosa Yglesias (CEEY) we believe that higher social mobility could boost the economy and reduce income inequality. One way to achieve this is to promote equal access to health, education and employment, in sufficient quantity and quality throughout people's life. Promoting equal opportunities will mean that people from disadvantaged backgrounds could experience successful social and economic inclusion and could transfer sufficient resources to the next generation. This would generate a virtuous cycle of inclusive growth. While public policies have a fundamental role to play in creating this favorable context, the private sector must support them with actions that eliminate one of the most important barriers for accessing opportunities, which is, namely, a low family income.

In Mexico, a series of factors have contributed to the prevalence of high inequality and low income, especially labor income. On the one hand, the slow growth of the economy, which is closely related to low productivity growth; on the other hand, the functioning and the institutions of the labor market. This led to a considerable reduction in

workers' bargaining power over their wages and benefits. High levels of informality, the risk of losing social security, and the evident weakness of active labor market policies—the lack of unemployment insurance as well as policies for adult education and skills development—have created an extremely adverse context for income growth. In addition to the above, laws regarding union representation that promoted the interests of employers more than those of workers, and the ensuing hijacking of the minimum wage debate by the former and by the State, only contributed to the adverse context.

6 The discussion on the minimum wage regained some realism and relevance in late 2014, when Mexico City's local government, along with a group of organizations from the civil society, business associations and academia, acknowledged the country's long-standing lag in minimum wage. Although there have been improvements since then, progress is still modest because the minimum wage continues to be below the income poverty line. Moreover, the mechanisms for determining the minimum wage, which are discussed in chapter ix of this report, have not changed fast enough. A proposal to change the laws governing labor relations has been advanced by the current federal government. This reform seeks to increase workers' unionization, the democratization of unions and the implementation of collective bargaining processes for workers' wages. While this reform could bring some change to the ways in which wages are set, the high levels of informality and the fact that labor market policies have not changed in the slightest remain challenging.

The discussion on the minimum wage revealed the lack of an objective benchmark. Where did the various parties involved in the discussion stand regarding the amount of the minimum wage? What should people be able to buy with the minimum wage? It was exceedingly difficult to reach an agreement without a social consensus on what a minimum wage should provide. Specialists, officials, and other participants in that discussion mentioned that it was not possible that someone would work full-time and live in poverty. Therefore, a possible minimum level was the monthly salary equivalent to the income poverty line defined by Coneval (Mexico's National Council for the Evaluation of Social Development Policy); but did they mean food poverty, or a broader concept? Others considered that the goal should be to establish a sufficient wage, not a minimum wage, but how much was enough was not determined. The definition provided by the Mexican Constitution clearly points to something more than a minimum for

subsistence: “The general minimum wage must be sufficient to satisfy the normal needs of a head of household, in the material, social and cultural spheres, and to provide for the mandatory education of the children.” However, it does not define what these “normal needs” are.

At CEEY we believe that the target for the minimum wage should be one that keeps adults and children in the household not only “slightly” above a situation of poverty, rather this wage should contribute to social mobility; that is, to getting out of poverty, especially between one generation and the next. This is not only related to the spirit of the Constitution, but to what comprises a dignified life.¹ Thus, CEEY decided to initiate a research program to define this “sufficient minimum wage” for Mexico. To this end, it partnered with the Centre for Research in Social Policy (CRSP) at Loughborough University in the United Kingdom, which is where it was first defined and estimated by means of a solid methodology.

7

The Minimum Income Standard (MIS) is the monthly income required by a household of a certain size to achieve the minimum socially acceptable standard of living. From the perspective of MIS, the minimum dignified standard of living is determined by social consensus about what it means to have a dignified life at a given place and time.

This document reports the research process through which CEEY arrived at the determination of the Minimum Income Standard for four of Mexico’s largest cities. The components of this standard are discussed in detail, as well as its value in pesos as of February 2020. The Mexican society can find its own image here when trying to determine the minimum income that is true to the constitutional mandate. CEEY is confident that the results of this research will facilitate the discussions on the minimum wage and other measures used as a standard of living in Mexico. A fluid dialogue is needed to strengthen social cohesion and the understanding of what is required to make Mexico a prosperous and inclusive country. Likewise, it opens the door for companies or other organizations to adopt the Minimum Income Standard as a reference for the payment of salaries to their workers.

— 0 —

1. The Nobel Laureate in Economics Amartya Sen, for example, highlights the importance of being able to develop the capabilities to progress economically, have freedom of choice, and participate in community life.

This project would not have been possible without the financial support of the Espinosa Rugarcía Foundation; in particular, we thank Amparo Espinosa Rugarcía and Julio Serrano Espinosa for their support and enthusiasm.

The technical support and training that CEEY received from CRSP was crucial in the different stages of the project. We thank the executive director, Donald Hirsch, for his support, as well as Abigail Davis and Matt Padley, who shared their experience and knowledge with our local team. We are also grateful to Laura Valadez Martínez, Lecturer in Social and Policy Studies at Loughborough University. Through Laura, CEEY learned about the project, and she accompanied us during its planning and implementation in Mexico. She has reviewed and written parts of this document herself.

Ángel de Jesús Espinoza Escobar—now an economist at the Bank of Mexico—and Dositeo Graña Lorenzo from CEEY also participated decisively in the first stages of the project. Juan Manuel Herrero Martínez and his team at Suasor Consultores, with great professionalism, took charge of the logistics and organization of the focus groups in four major cities of the country, and of recruiting the participants. Miriam Bertran Vilà, from the Universidad Autónoma Metropolitana and Food Landscapes SC, together with Valeria Ortiz Rodríguez and Sandra Ávila from Food Landscapes SC, were our expert consultants on the diet of the Mexican population. We are deeply grateful to all of them for their support and collaboration, which was crucial to the project.

We also thank Roberto Velez Grajales, executive director of the CEEY, and the Center's staff for their support in carrying out this project. In particular, we thank Gladys Pérez Moreno and Carmen Brito Valenzuela for administrative support; Claudia Fonseca Godínez and Rocío Espinosa Montiel for their collaboration at key moments of planning and carrying out the project; and Sara García Peláez Cruz, Silvia Jiménez and Rubén Escobedo Pérez for the translation, copyediting, proofreading and the production of this document. María Fernanda Diez Torres, Lucero Hernández García and Ninfa González Pineda helped us with communication and outreach, and Gabriela Hernández Camacho, Silvia Hernández Valencia, Luis López Anaya and Gerardo Lozada Godínez supported our work during meetings and training.

Finally, this work would not have been possible without the enthusiastic and committed participation of the almost 200 citizens of Puebla, Guadalajara, Monterrey and Mexico City who were part of the focus groups. To them, our sincere respect and appreciation.

PROLOGUE

The authors, however, are solely responsible for the results of the study, as well as the conclusions and recommendations it contains.

Mexico City, July 6, 2020

CONTENTS

PROLOGUE.....	5
CHAPTER I	
BACKGROUND, MOTIVATION AND PROJECT LAYOUT	15
CHAPTER II	
SOCIAL CONSENSUS ON HOW MUCH IS ENOUGH FOR A	
DIGNIFIED LIFE	19
II.1 Focus groups	19
II.1.1 Orientation Groups.....	20
II.1.2 Task Groups	23
II.2 Consultation with experts	23
II.3 Price survey.....	24
II.4 Check-back groups.....	24
II.5 MIS baskets	25
II.6 Final groups	25
CHAPTER III	
WHAT DOES A DIGNIFIED STANDARD OF LIVING IN	
MEXICO CURRENTLY MEAN?	27
CHAPTER IV	
ESSENTIAL ASPECTS AND BASIC REQUIREMENTS FOR A	
DIGNIFIED LIFE IN MEXICO	33
IV.1 Housing.....	34
IV.2 Education.....	36
IV.3 Health.....	38
IV.4 Transport	39

IV.5 Childcare.....	40
IV.6 Case Study.....	41

CHAPTER V HOUSEHOLD GOODS AND SERVICES, HOUSING, AND TRANSPORTATION.....43

V.1 Rental prices.....	43
V.2 Household goods and services.....	44
V.3 Maintenance	47
V.4 Transport.....	48

CHAPTER VI PERSONAL CARE, CLOTHING, FOOTWEAR, AND FOOD51

VI.1 Personal care.....	51
VI.2 Clothing and footwear	53
VI.3 Food.....	55

CHAPTER VII HEALTH, EDUCATION AND LEISURE.....63

VII.1 Health	63
VII.2 Education	67
VII.3 Leisure.....	71

CHAPTER VIII PRICE SURVEY, PRICE QUOTES AND THE MINIMUM INCOME STANDARD (MIS) FOR MEXICO.....75

VIII.1 Prices and establishments.....	75
VIII.2 Budgets and price quotes.....	79
VIII.3 Apportioning costs and different types of families.....	80
VIII.4 The Minimum Income Standard.....	81

CHAPTER IX THE MINIMUM INCOME STANDARD (MIS) AND OTHER WELFARE MEASURES IN MEXICO89

IX.1 The living wage, the minimum wage and poverty lines	89
IX.1.1 The minimum wage in Mexico.....	96
IX.2 Equivalence scales.....	98
IX.3 Official household goods and services baskets and MIS baskets.....	100
IX.4 Expenditure patterns, dignified living and social classes	102

CHAPTER X
FINAL CONSIDERATIONS AND THE PROSPECTS FOR
LIVING WAGES IN MEXICO107

REFERENCES.....111

CHAPTER I

BACKGROUND, MOTIVATION AND PROJECT LAYOUT

In the Minimum Income Standard (MIS) two issues converge which in Mexico have been treated separately. On the one hand, there is the definition and establishment of the minimum wage; on the other, the minimum level of well-being, measured by the value of a basket of goods and services considered by people as necessary in order not to be poor. However, these are two sides of the same coin: the social demand for the sufficiency of the minimum wage. This has not been fulfilled; the minimum wage currently does not allow workers and their families to reach a standard of living that society in general would consider acceptable. Mexico lacks an income standard that can be qualified as sufficient and taken as a parameter in discussions about minimum or desirable wage and labor income. This shortcoming limits the dialogue and agreements between the different actors involved, which are necessary for the advancement of the country's social development agenda.

15

MIS integrates both issues in a consistent manner. First, an appropriate basket of goods and services that would allow a family to reach the desired level of well-being is determined. Then, the cost of such a basket is estimated for a given family structure. Eventually, based on MIS and the labor participation statistics of the heads of household and their spouses, it is possible to estimate a living wage that would allow households to have an adequate standard of living.

In chapter II, we present the methodology used for estimating MIS and how it can be applied to Mexico. The objective of this methodology is to determine the appropriate basket for reaching the desired level of well-being. This level, according to MIS methodology, is the minimum socially acceptable standard of living, which, in the tradition of social development thinking, is associated with the definition of a dignified life (Townsend, 1979). Therefore, to estimate MIS we consulted with groups of people representative of Mexico's different socioeconomic

groups living in four major metropolitan areas. The time sequence and the alternation of cities where the groups met allowed for an outcome that reflects social consensus.

Participants in the focus groups not only defined what it means to have “a dignified life” in Mexico today, but also discussed the needs that each member of a Mexican family must meet so that he or she may achieve that standard of living. To reach a consensus, the groups had to argue about the reasons for including a certain good or service in the family budget. This was achieved by identifying and characterizing the basic needs that must be met for a dignified life.

16 Throughout this document, we quote the rationales that people in Mexico used during the group discussions to justify whether a given good or service should be included or not in the basket. These dialogues were only minimally edited to make them understandable outside of the context of the original discussions; thus, mostly they are just transcribed here from the recordings of the meetings, and then translated into English.

We present the consensus definition of *vida digna* in Chapter III, while in Chapter IV we report the group discussions on the essential components of a socially acceptable standard of living for the family, such as housing characteristics, transportation, children’s education, and access to health and childcare services. Then, chapters V, VI and VII report on the needs of family members in relation to access to household goods and services, personal care, food, clothing and footwear, health, education, and leisure.

The discussions with the focus groups not only addressed the types of goods and services needed to achieve a decent standard of living, but also the duration and quality of these goods and services. Participants also reached consensus on the commercial establishments or enterprises where these goods and services can be bought, and provided guidance on the price range that reflects the characteristics, quality, and duration of each of these. Thus, the focus groups discussed and defined the lists of goods and services that a certain type of household needs today in urban Mexico in order to have a decent standard of living.

In the case of needs such as vacation time, weekend outings, extracurricular activities, birthday gifts for children, home maintenance, etc., the groups assigned budgets to meet these needs instead of specifying the exact amount or type of goods and services to be included in the basket. (For example, an amount of money was assigned for children’s birthday gifts instead of a specific item, which additionally allows freedom of choice according to age and preferences.) In the

unique case of food, a team of nutritionists, who are experts in Mexican diet, analyzed the menus defined by the groups. Then, they made adjustments to render the menus healthy according to sex and age, but without losing the variety and flavors of Mexican food. Therefore, both the habits and overall tastes of Mexicans were respected.

Concerning housing cost, this was estimated from the rental price of a home that meets the standard of decency defined in the groups. To this end, Suasor Consultores conducted a survey on the rents of homes with different characteristics in the four major cities studied. Then, the members of the groups determined the minimum budget needed to rent such a home in their respective cities.

The price surveys, quotations, and budgeting used to estimate MIS are presented and discussed in chapter VIII. MIS is estimated for seven types of families, including couples with one, two, and three children, and single parents with one, two, and three children. The family budget contemplates two values: one for Mexico City, and another for the rest of the metropolitan areas considered in the analysis. Thus, a MIS for 14 types of families was produced.

Chapter IX contains a discussion of the results. What is the living wage based on MIS and how does it compare with the minimum wage? In particular, how does it compare with the welfare thresholds used in the official measurement of poverty in Mexico? In the MIS calculation, do the differences by age in spending among members of the family reflect the scale equivalencies used in the economic literature in Mexico? How does MIS compare with other family budget measures calculated from baskets of goods and services? Finally, is the spending pattern that emerges from MIS similar to the current spending pattern in any segment of the Mexican population?

We hope that this report will contribute to the debate on minimum living standards and to the design of social policies in Mexico. For reasons of space, the implications of these results are left for another paper. In particular, the discussion of public policies in health, education, transportation, and housing in Mexico, and how these could contribute to satisfying families' need for an acceptable standard of living, is of utmost importance. That is, how much lower would MIS be if the State were a good provider of those services?

Chapter X concludes with an invitation to the Mexican society to adopt a new perspective on living standards, and on the country's aspirations for economic and social development. With MIS, the State, companies, and workers have the appropriate parameters to make joint decisions that will determine, through improvements in the popula-

tion's income and public policies, the conditions needed for Mexico to become a more equitable, more productive and more socially mobile society.

CHAPTER II

SOCIAL CONSENSUS ON HOW MUCH IS ENOUGH FOR A DIGNIFIED LIFE

The Minimum Income Standard (MIS) methodology determines what is the minimum income necessary for a dignified life as accepted by the public (Padley and Hirsch 2017). Society's perspective on the elements that should constitute a decent standard of living are mapped out with the help of some focus groups. The groups first define and then focus on discussing the goods and services needed to achieve that standard of living. The lists of the goods and services that society considers necessary for a dignified life are used to estimate the income that families require. This chapter describes in detail each of the steps taken for estimating MIS for urban Mexico in 2020.

19

II.1 FOCUS GROUPS

The focus groups in Mexico were arranged as follows: orientation, task, check-back and final (Illustration I), which corresponds to how the discussion progressed. Each one was made up of 10 people representative of the diversity of the population in terms of sex, educational level, socioeconomic status, type of occupation, income bracket, and whether or not they owned the homes they lived in. The participants could not belong to the same family or know each other.

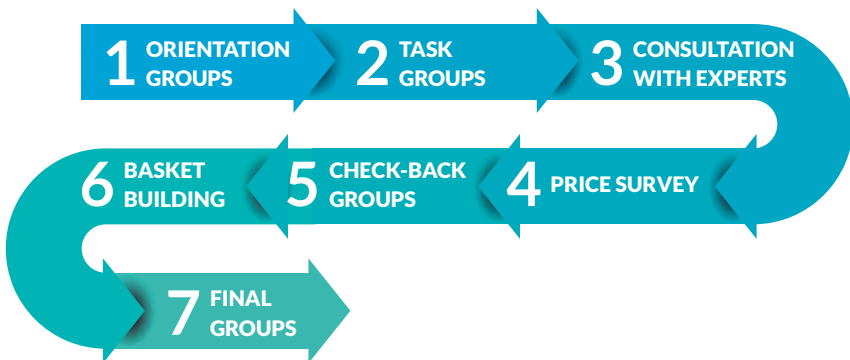
Several rounds of discussions were held in strategic urban areas of Mexico: Monterrey, Mexico City, Guadalajara, and Puebla. This made it possible to reach a consensus on the elements and needs that should be considered for a dignified life (Table 1). The task and check-back groups, in which the needs of individual family members (the mother, the father or a son or daughter of a certain age) were discussed, met in different cities. For example, the task group related to 3 to 4-year-olds took place in Puebla, but the corresponding check-back group was held

in Monterrey. This strategy sought to ensure that the opinions were not specific to one locality.

The way the groups worked was, in general, as follows: the participants sat around a table together with two members of CEEY. One of these guided the discussion, and the other took notes. CEEY facilitators asked participants that they try not to think about their own needs or preferences, but rather those of the hypothetical household, which was the object of the study. The discussion and agreements were written down on a flipchart in front of the whole group. Facilitators' notes, flipcharts, and transcripts of everything that was said were used as reference material between one round of focus groups and the next. This approach allowed the discussions and decisions of one group to build on those of previous groups, thereby making the process a cumulative one. This is how the definition of the list of goods and services needed to attain a dignified life was achieved. The duration of the meetings ranged from three to six hours each.

20

Figure 1
Process of consulting with the public for MIS



II.1.1 Orientation Groups

In the first three groups, called “orientation groups”, the general elements (goods and services) needed to have a decent standard of living were discussed and the case study was defined. These orientation

groups were held in Puebla, Guadalajara, and Mexico City in March 2019 (Table 1).

The first group listed the elements that each participant considered necessary for a dignified life in a large Mexican city. Then a distinction was made between what is considered essential and what would be nice to have. After reaching a consensus on this, it was then concluded what it means to have a decent standard of living in Mexico today. The basic definition of a dignified life was obtained from a pilot project carried out in Mexico (Valadez-Martinez et al. 2017).

The second orientation group defined the case study; namely, the type and composition of the hypothetical household, and with it, the names and ages of its members. Based on the previous definition of a dignified life, the participants reached a consensus on its essential aspects, in terms of housing, transportation, education, child-care, and access to health services. The third group reviewed the opinions of the previous groups and analyzed the relevance of all the essential aspects in achieving a dignified life in the areas of education, health, housing, childcare, and transportation.

Table 1
Focus groups: participants, dates, and locations

#	Orientation		Task		Check-back		Final	
	Participants	Place, Month / Year	Participants	Place, Month / Year	Participants	Place, Month / Year	Participants	Place, Month / Year
1	Pensioners and adults without children	PUE 03/2019	Partnered women, with children <19 years-old	MTY 04/2019	Partnered adults, with children <19 years-old	PUE y GDL 10/2019	Adults w/children <19 years-old	GDL 02/2020
2	Adults w/children <19 years-old	GDL 03/2019	Partnered men, with children <19 years-old	GDL 04/2010			Adults w/children <19 years-old	MTY 05/2020
3	Adults w/children <19 years-old	CDMX 03/2019	Single adults w/ children <19 years-old	GDL 04/2019	Single adults w/ children <19 years-old	CDMX 10/2019	Adults w/children <19 years-old	CDMX 05/2020
4			Adults with children aged 0-2 years	MTY 04/2019	Adults with children aged 0-2 years	PUE 10/2019		
5			Adults w/children aged 3-4 years	PUE 05/2019	Adults w/children aged 3-4 years	MTY 10/2019		
6			Adults w/children aged 5-11 years	CDMX 05/2019	Adults w/children aged 5-11	GDL 10/2019		
7			Adults w/children aged 12-18	PUE 05/2019	Adults w/children aged 12-18	CDMX 10/2019		

Note: PUE, CDMX, MTY and GDL stand for Puebla, Mexico City, Monterrey and Guadalajara, respectively

II.1.2 Task Groups

As mentioned above, the definition of a dignified life was presented to the task groups and, based on it participants were asked for a list of goods and services that would be needed to meet the needs of the hypothetical family's minimum—although socially acceptable—standard of living. Also, remember that the participants did not consider their own needs, but those of the hypothetical family. As a result, a consensus could be possible, even with the differences in individual life experiences (Davis et al. 2015). The group not only determined the goods and services, but also the quantity, quality, duration, possible places of purchase and the approximate price of each.

At this stage there were seven focus groups in the four cities studied. The first three groups discussed the needs of partnered parents and single parents. The next four groups analyzed the needs of children in four age ranges: 0-2, 3-4, 5-11, and 12-18 years (Table 1).

23

II.2 CONSULTATION WITH EXPERTS

In some specific cases, the help of experts and the use of estimates from official agencies were necessary. This was done to bring the focus group estimates in line with existing health and welfare guidelines. The food basket required technical review by experts in nutrition and eating habits in Mexico. The process is described below.

Participants in the task groups defined a daily and weekly menu for each family member. The nutrition experts then adjusted the amounts of each foodstuff so that they could meet the appropriate nutritional standards. The new menus were discussed with the check-back groups (Table 1). Finally, the experts prepared the menus for the seven family types considered in the calculation of MIS in Chapter VIII.

Based on the participants' discussion in the focus groups, patterns of spending, rates or prices were consulted in secondary information sources to determine sufficient spending in the areas of private transportation, rent, housing, vehicle services and maintenance, tourist packages, etc. This was always based on the characteristics of the goods proposed by the participants. One example is the market research that a consulting firm carried out to obtain the prices of apartment and house rentals in each of the cities where this research was conducted. These rent values were taken into account while establishing how much is sufficient for access to decent housing in the cities of the study.

II.3 PRICE SURVEY

The cost of the MIS basket of goods and services reflects both the goods and services agreed upon in the focus groups and their market prices. Once the task groups were finished (Table 1), the CEEY team surveyed the prices in the stores and organizations proposed by the participants, always based on the specifications (quantity, quality, and duration) established by the groups. Thus, by July 2019, a detailed list of items, goods and services was already available along with their prices or costs. In a second stage, the check-back groups revised this list again. Based on the comments, a new price survey was carried out and a final family budget was prepared in the first months of 2020.

24

II.4 CHECK-BACK GROUPS

At this stage, the representatives of the public discussed the different lists of goods and services. The focus was on items, goods and/or services on which no consensus had been reached. Thus, the work of these new groups, structured in the same way as the previous ones, was to check and complete the items that were not defined in the task groups.

Three situations were presented in the check-back groups. The first, if the members agreed with the decisions of the previous groups. The second, when there was no agreement and there were some modifications. In this case, participants felt that certain goods or services did not meet the definition of a dignified life. When this happened, the moderators presented the rationales that the previous groups used in order to include those goods and services. Based on this, the discussion was opened again with the purpose of deciding whether or not the item in question should be kept on the list, or whether the characteristics of quality and duration should be adjusted. The third situation arose when the task groups did not reach a clear conclusion on a particular issue. In this instance, participants in the check-back groups were asked for their opinion on the matter and a consensus was sought (Davis et al. 2015).

Two aspects are relevant for defining more accurately the composition of the basket of goods and services. One is the discussion (which took place in a different city in each stage) on the needs of each hypothetical family member and how they are met. Another is the needs of

parents, which were discussed assuming that either they were single or partnered (Table 1).

II.5 MIS BASKETS

The next step was the construction of the hypothetical families' baskets of goods and services, which was done with the help of spreadsheets. That is how the food baskets and the baskets of goods and services were developed. Because of this, it is possible to compare the existing normative baskets in the country with those of MIS, which have an important feature and advantage: they vary by type of family. With the prices and baskets available, a first version of MIS was developed.

25

II.6 FINAL GROUPS

In this last stage, we worked with discussion groups consisting, in general, of adults with children under 19 years of age. In these groups the total budget of the hypothetical family was presented, which was calculated after the meetings with the check-back groups. Opinions were solicited for this purpose. This stage served to verify whether the groups' valuation of the budget was low, high, or very high. This provided an opportunity for participants to modify specific elements of an expense item, decrease their budget, or add precision to the model family's way of meeting its needs (Davis et al. 2015).

The meeting with the first of the final groups was held in Guadalajara (Table 1). This group verified the quality, duration, and prices of some goods that had been modified by the check-back groups. They discussed the biweekly and annual budgets for furniture, electronic products and appliances, leisure time, clothing and footwear for couples, single parents, and each of the children in the case study family. Finally, the group was presented with the results of the market research on home rentals in Guadalajara. Participants determined how much was enough in that city to have access to decent housing for the case study.

The meetings with the last two final groups were held by videoconference due to the COVID-19 pandemic. In the focus group with participants from Monterrey, the health and personal care budget of the typical family was checked and some inaccuracies in the cleaning and laundry budgets were resolved. The group determined how much is sufficient to access decent housing.

In the last final group, with members of the public from Mexico City, the results of the research on rents were also presented. The participants discussed and reached a consensus on the minimum amount required in this city to rent housing that meets the definition of a decent standard of living. In addition, the model of transportation was discussed and validated; that is, the combination of private and public transport that satisfies the needs of the different families was considered.

Finally, this group was presented with the total biweekly budget of two types of families: a couple with two children, in primary and secondary school; and a single mother with two children in preschool and primary school. They were asked for a review and opinion on this matter. The information also contained the budgets of eight spending categories and the percentage they represent in the total family budget. With these data, the group discussed and validated the biweekly amount needed for a dignified life, the ultimate goal of this exercise.

The MIS methodology—see, for example, Davis et al. (2015) and Padley and Hirsch 2017—establishes that, after the final groups, it is convenient to assess again, and for the last time, all the prices. However, because the last final groups met during the COVID-19 pandemic, prices could be affected by sudden changes in demand and/or supply, or by the disappearance of goods from supermarkets, as they reflect an unprecedented situation. In view of this, the CEEY team decided that the MIS should be computed with February 2020 prices. Therefore, all prices prior to that date were updated for annual general inflation.

CHAPTER III

WHAT DOES A DIGNIFIED STANDARD OF LIVING IN MEXICO CURRENTLY MEAN?

According to the Royal Academy of Spanish Language (RAE), something is “dignified” when “it can be accepted or used without detriment to reputation or prestige” or it is something “of an acceptable quality” (RAE 2018). This study seeks to define “dignified life,” which is, precisely, a minimum standard of living that has those characteristics.

In Mexico, the official discussion about the standard of living has focused on characterizing people’s degree of poverty. Thus, the National Council for the Evaluation of Social Development Policy (Coneval) calculates income poverty lines and defines a list of deficiencies households may suffer in different areas (housing, food, social security, health and education). The income poverty lines are calculated based on the cost of food and non-food baskets. These welfare measures do not consider the aspects of a dignified and adequate life; they are limited to establishing a minimum below which people are placed in a situation of poverty or deprivation. To be sure, living in such a situation is unacceptable; however, in Mexico there is still no gauge of how much is enough for a dignified standard of living.

Getting to know the general opinion of the Mexican population on what it means to live a dignified life in urban areas is one of the objectives of this study. Now, the methodology that was followed to achieve this objective not only contemplates the discussion about the access to goods and services, but also about other characteristics of daily life that provide—or would provide—a standard of living to which all Mexicans should have access on a permanent basis.

The first orientation group met in Puebla, and its main task was to reach a consensus on what a dignified life means. The elaboration of the definition was carried out in three stages. In the first, participants were asked to mention the minimum requirements, both in terms of goods and services, as well as other aspects of daily life, for having a de-

cent standard of living. However, as mentioned above, the groups were asked not to think about their own needs or tastes, but those of a typical Mexican person or family (Davis et al. 2015). Thus, they discussed everything from basic needs to access to some specific goods and services, for example, a car, a tablet or a computer. The results of this first part show a consensus: a dignified standard of living must include, at a minimum, food, health, housing, education, clothing, leisure, recreation, work, as well as access to water, electricity, gas, internet, sewage system, but also access to culture, public spaces and public transportation. Aspects such as public security and cleanliness, an environment of respect and non-discrimination, and access to technology and communication were also considered.

28 In the second stage of the exercise, sentences were constructed with the following wording: "A dignified life in Mexico..." The results were as follows:

- *A dignified life in Mexico requires, at a minimum, meeting the basic needs of food, health, personal care, clothing, housing, and education.*
- *A dignified life in Mexico requires access to electricity, water, LP gas, internet, and sewage system.*
- *A dignified life in Mexico requires access to technology and communications.*
- *A dignified life in Mexico requires the opportunity for a cultural development that promotes values and respect through access to public spaces, with recreational and cultural centers.*
- *A dignified life in Mexico requires a sense of safety, both at home and on the streets.*
- *A dignified life in Mexico requires safe, efficient, and accessible public transportation.*
- *A dignified life in Mexico includes the opportunity for leisure.*

These issues had also come to light in the pilot study by Valadez-Martinez et al. (2017). For participants, free time after work was of vital importance, whether spent with family or alone.

- *A dignified life in Mexico requires access to a job with a good working environment, with opportunities for growth and training.*

This last matter is illustrated in the following discussion, which has been transcribed, as faithfully as possible, from a stenographic version:

MODERATOR: *We are saying that to have a dignified life you need a dignified job. What is that job? ... not considering income, what elements of the job?*

MAN 1: *A well-paid job.*

WOMAN 1: *With the possibility for professional growth. In order to have a dignified life you need a job with a good working environment, with the opportunity for growth.*

MAN 2: *With on-the-job training.*

(Puebla, Orientation group)

These phrases were written down on a flipchart, and then participants were asked if there were any aspects they wanted to remove from the list as being above the minimum (a luxury), or if there were any they wanted to add. One participant mentioned internet access as a luxury that does not add to the dignity of life. The others disagreed and gave examples of the importance of having access to the internet:

29

MODERATOR: *Is there anything you would like to remove from here that you feel is beyond a dignified life?*

MAN 1: *Maybe it would be the internet.*

MODERATOR: *Doesn't the [access to] internet define a dignified life for you? The internet perhaps is beyond what we require from a minimum level of a dignified life. Now, we can ask ourselves, what happens if we take away the internet, how is our life affected, and see if maybe we go below what is dignified.*

MAN 2: *Well, I think that if you take away the internet completely, because we are cut off, at this point I believe you are cut off.*

MODERATOR: *And that brings you down below a dignified life?*

MAN 3: *Yes.*

MAN 4: *I would almost consider it a human right to have access to the internet, but I repeat, before, when there was no such thing we did have a dignified life. Now the problem is, if I don't have it, there are times when I've run out of internet, I have to go begging at a Starbucks or something. Then it's already half-undignified.*

MAN 3: *But you need to resort to it.*

WOMAN: *I think it's part of the technology... I think it's important for cultural growth.*

(Puebla, Orientation group)

In the third and final stage of the exercise, the group was presented with a definition of a dignified life that had been reached by two previous groups—one in Mexico City and another in Monterrey—that participated in a pilot test of the MIS methodology in 2016 (Valadez-Martinez et al. 2017). The objective of this exercise was that the participants had to compare the phrases they wrote about dignified life with the definition of the pilot groups, an exercise that would give them the opportunity to improve it. Given this procedure, the decisions made in that first orientation group not only represented the points of view of that group, but also gave rise to a more general consensus regarding Mexican society. The following is the definition presented to the group:

30 *A dignified life in Mexico today requires meeting basic needs, such as food, housing, and clothing, as well as having the opportunity to work, access to health and education services, and also leisure time. It is also about living in a stable and safe environment that allows people to connect and be part of society. (Valadez-Martinez et al. 2017:696).*

In general, the group concluded that their comments were contained in this definition; however, the following was requested:

- *Add the kind of food you need to have for a dignified life.*
- *Include transport as a basic service to which everyone should have access.*
- *Consider a culture of respect in the definition, as this guarantees an environment of non-discrimination.*
- *Specify that “connecting” also refers to technology, connectivity, information and its relationship to work.*
- *That working conditions be taken into account so that the definition of a dignified life is complete.*

After a discussion among the participants, it was determined that the definition that encompasses all the aspects needed for a dignified and adequate life is the following:

A dignified life in Mexico today requires the satisfaction of basic needs, such as food, housing, and clothing, as well as the opportunity to work, have access to health and education services, and leisure time. It is also about being communicated and informed, living in a stable and safe environment, and being part of society.

The definition is like the one they came up with in Monterrey and Mexico City in 2016, indicating that there is a consensus among the population. By adding communication and information, participants emphasized that, for a dignified life, access to information is of utmost importance for making decisions.

This definition was presented to subsequent focus groups so they could define the typical family (case study), and then use it as a basis for determining the list of goods and services required to meet the basic needs for a dignified life.

CHAPTER IV

ESSENTIAL ASPECTS AND BASIC REQUIREMENTS FOR A DIGNIFIED LIFE IN MEXICO

Once the definition of a dignified life was determined, the next step was to define the case study and minimum requirements in the areas of housing, education, health, transportation, and childcare. This discussion is particularly sensitive in the case of Mexico, where the strategies and possibilities of the population regarding these aspects of the standard of living are very heterogeneous. This task was undertaken by the last two orientation groups, which were held in Guadalajara and Mexico City in March 2019 (Table 1).

33

The Guadalajara group was responsible for defining the two families in the case study: a couple or a single parent with two children under 19 years of age. In subsequent working groups, the age range and sex of the children were specified more precisely, so that discussion of their needs and how to meet them was as realistic as possible. It should be noted that it was assumed that members of the hypothetical families are in good health, that the family lived in the city of the focus group, but no further clarification was given about the employment status of the adults in the household. The Mexico City group discussed in greater depth the minimum conditions that education, housing, transportation, health and child-care should satisfy to contribute to a dignified life.

The members of the case study family were given a name (the mother was Carmen, the father Manuel, the daughter Fernanda, and the son Antonio), and there was a preliminary discussion of what elements constitute each of the household's basic needs.

What types of housing meet the minimum characteristics that would make it socially acceptable? Is Infonavit housing sufficient, and should only the number of rooms in the home or rather its overall size be considered? Similar questions can be asked regarding access to health care for family members or education for children. The provi-

sion of these services in Mexico present many nuances, ranging from the most deficient to the most sophisticated alternatives, associated with either public or private options. In the same vein, access to transportation and childcare in Mexico is no less complex and, to a large extent, it is closely related to the possibilities of access to employment for partnered women and with young children.

The above questions are perhaps easier to answer in European countries where the MIS methodology was first applied. This is because in many of them social policy is focused on providing these services at a socially acceptable level. However, this is not the case in Mexico, where social policy, insufficient in several dimensions, is provided only if the worker and their family are affiliated to the Mexican Social Security Institute (IMSS)—in the case of those working in the private sector—, or to the Institute of Social Security and Services for State Workers (ISSSTE). Workers in informal employment are excluded from this policy, and, in the case of health care, the government only offers them some alternatives with limited medical coverage. With respect to transportation and education, although there are regulatory bodies that seek to standardize services, the variety of options and the differences in quantity and quality of these services vary considerably.

This chapter explains how participants reached consensus and gives examples of the discussions that took place. The opinions reported in the rest of this chapter are from the focus groups held in Mexico City and Guadalajara in March 2019.

IV.1 HOUSING

Housing was the first element discussed in the groups. The minimum criteria that a house must have in order to be considered dignified and acceptable were decided. Opinions were included on the type of housing, access to basic services and the quality of the building materials.

Box 1 Dignified and decent housing

Article 4 of the political Constitution of the United States of Mexico establishes that every family has the right to enjoy a decent and dignified home.

According to the Coneval (2018), the right to decent and dignified housing implies that people of all economic and socio-cultural profiles have the possibility to access and maintain housing with the following conditions and characteristics:

- That it does not jeopardize the satisfaction of other basic needs
- That there is security of ownership.
- That is built with quality materials and design.
- That is well located and has access to basic and complementary functional and sufficient services.
- That its location is in safe neighborhood, with communal spaces, parks and quality community.
- That its design, as a unit and as a settlement, meets technical quality standards and is acceptable to its inhabitants.
- That it is in a dignified habitat, integrated into the natural environment in a responsible manner and that it incorporates technologies.

35

First, the areas or number of rooms that the house must have in order to be functional for four people were discussed. In both focus groups, it was proposed that there should be three bedrooms, one for the couple or single parent and one for each of the children. The children need their own room “because they are growing up and require their privacy” (Man, Mexico City). It was discussed that the home should have a kitchen, and a living room that can also be used as a dining room.

The importance of having more than one bathroom was a matter of discussion: “The full bathroom has a shower included, so you can't use the toilet when someone is taking a bath, in that case you could use the half bathroom” (Man, Mexico City). It was also said: “Usually the half bathroom is used for visitors, because often the bathrooms are in the bedrooms”. (Man, Guadalajara)

Other areas in the house that, in the opinion of the groups, contribute to a dignified and acceptable life are: a place to park the car; space for the children to play, and a place to wash and hang and dry clothes. At first it was discussed that each of these areas should be separate, but later, during the check-back groups, consensus was reached that these activities can be carried out in one single space without affecting the family's socially acceptable standard of living. Regarding the parking

space, it was considered that this could be part of the house, or not. In any case, the car should be parked in a safe place. This is what was said:

MAN: *You can add a patio or courtyard for them to play in.*

MODERATOR: *Why do you need a patio, to play, you said?*

MAN: *So they can play in the patio without going out to the street.*

MODERATOR: *So, for safety?*

WOMAN: *Yes.*

WOMAN: *The patio can also serve as a garage for the house.*

MAN: *But it would be like too much, it's like more a luxury than a normal dignified life, and dignified is like not having so much.*

WOMAN: *But you can see it as something for the future.*

36 **WOMAN:** *Yes, because the car can be parked in the front of the house.*

MODERATOR: *So, in principle, people here are thinking about it [the patio] a little bit for playing, to be safe, having fun. What else?*

WOMAN: *Clothes lines.*

WOMAN: *As a washing area.*

(Mexico City, Orientation group)

Regarding the construction materials of the house, the participants listed the types of materials and, in general, there was consensus that they should be solid and resistant. On the services it must have, it was unanimous that electricity, water, sewage, telephone and gas are indispensable. Internet and garbage collection services were added: "(this service), like water, is already very necessary today" (Woman, Mexico City). Finally, the disadvantages of people living in apartments were discussed. However, they concluded that decent housing does not depend on whether it is a house or an apartment, as long as it has the characteristics mentioned above.

IV.2 EDUCATION

Education services are indispensable for a dignified and socially acceptable life, as they allow people to gain knowledge and develop their skills. According to the discussion in the first orientation group, education also gives access to better jobs and to a more adequate remuneration, based on each person's abilities.

In this part of the study, the group's discussion revolved around the type of school (public or private), its characteristics, and all the services that should be included to make it suitable for Fernanda and Antonio.

A consensus was reached that public schools do provide the minimum standard of education for a dignified life: "If we start with the basics, it does have to be public school, if we talk about there not being enough income to pay for private school. And besides, public schools are very good at the basic level." (Man, Mexico City) In particular, they spoke of those public schools that have everything that is needed, such as good facilities, good teachers, and extracurricular activities. However, since not all public schools have these services, participants felt that families need to have a budget for extracurricular and out-of-school activities (sports, art activities, language classes, computer or extra classes, with a frequency of two to three times per week). Playing sports, for example, "is very good for the children's minds, and for psychomotor development." (Woman, Guadalajara) The group considered it necessary for parents to be involved in their children's education and school activities. This is related to the topic of parental time availability that had been discussed in the first orientation group.

In its diagnostic study on the right to education, Coneval (2018b) identifies eight main challenges to guaranteeing the full right to education in Mexico (Box 2). These broadly coincide with the views of the focus groups on the shortcomings of the education system, and therefore there is also agreement on the improvements needed for it to be suitable. In particular, the need to eliminate inequities in access to quality education was highlighted.

Box 2
Challenges to achieving the full right to education
(Coneval 2018b)

1. Increasing the availability of institutions in secondary education and promoting access and permanence of students in a more vulnerable situation who are studying at this level.
2. Improve educational infrastructure to guarantee optimal learning conditions for all persons entitled to the right.
3. Promote attendance at preschool education.
4. Reduce inequalities in access and enjoyment between population groups.
5. Ensure that quality is equal among the population attending different types of schools.
6. Decrease the percentage of the adult population that lags behind in education and does not have access to education.
7. Improve the academic achievement of students.
8. Implement strategies aimed at improving teacher training.

IV.3 HEALTH

According to the Universal Declaration of Human Rights of 1948, access to health is a fundamental element for having an adequate standard of living (Coneval 2018c). Therefore, it was an important issue in the discussions, although always under the assumption that the case study family is in good health.

The group agreed that access to the IMSS or the ISSSTE is a basic element of a dignified life and it is the minimum level of health care to which the case study family should have access. This is without considering the difficulties that may be involved in accessing the services offered by both institutions.

38 All the groups insisted that, due to these shortcomings and difficulties of social security, families should have an additional annual budget for health expenses. It was mentioned that there are emergencies that the national health system does not adequately address. Also, the treatment for certain specialties cannot be rated as good. It was also said that in the case of diagnostic tests or medications, many times doctors from these institutions recommend using private providers.

This issue is illustrated in the following discussion:

MODERATOR: *Is that enough? Would you think that by having IMSS or ISSSTE you're already covered for everything?*

WOMAN 1: *Yes, but...*

MAN 1: *It's just that he's already set up, relatively. You feel bad, you go to social security and they take care of you, it's going to take hours, but they're going to take care of you.*

MODERATOR: *And that's dignified?*

MAN 1: *It's relatively dignified.*

MAN 2: *Yes, because you finish the treatment, I mean, if you feel bad, they're going to give you medicine, you're going to feel relatively good. If you want something dignified it's going to cost you really, (...) in two, three hours, but it cost me 6 thousand pesos. [I went to] the national health service, my stomach hurt, I spent about 5 hours, I left without pain and it didn't cost me anything...*

MODERATOR: *Ana, do you agree with José?*

WOMAN 2: *I completely agree. If you go to IMSS, to ISSSTE, and you have a cough, a cold, 5 hours and you get out with the medicine. If you have an emergency, you die there. In that case you prefer to invest in a private service and of course that gives you a lot of quality.*

MODERATOR: *So, we've already agreed, do you require IMSS, ISSSTE?*

MAN 2: *Yes.*

MODERATOR: *And do you need anything else?*

WOMAN 1: *Yes, of course!*

MODERATOR: *What do you need?*

WOMAN 2: *A doctor from the private sector.*

(Mexico City, Orientation group)

In conclusion, the group agreed that the case study family has access to the national health system but must have an annual budget for medical expenses with private providers. This model would allow them to enjoy good health with decent and acceptable conditions of access.

39

IV.4 TRANSPORT

The quality of transport and urban mobility was discussed in the focus groups. The discussion was centered on the activities which involve different forms of transportation—work, taking children to and from school, medical appointments, grocery shopping, daycare, walks, visits, vacations, etc. —and how this helps the family achieve a decent standard of living. The first activities discussed were work and school, the ones for which a family most often uses transportation. The following is how participants felt about them:

MAN 1: *I would consider, depending on the [distance to the] school, using public transportation for the children, [and] mom, dad go to work. Depending on the distance, either mom drops dad off, or vice versa, they use the vehicle. On weekends, say Fridays or Saturdays, they go shopping or go for a ride, because they are using the vehicle among the whole family and it's like saving [that's how they save]. As you say, the cab would take care of certain eventualities. For example, if mom is working, dad has the car, the child gets out early, and they send him an Uber.*

MODERATOR: *What other idea do you have?*

WOMAN 1: *For example, we would use the vehicle, as you say, on the weekends [...] So you use the vehicle quite a bit in the aspect that it moves you a lot, but not in the sense that I'm just driving around.*

MODERATOR: *What do you think, do you consider it a decent minimum for a family?*

WOMAN 1: *Yes, absolutely!*

WOMAN 2: *Especially with two children.*

MODERATOR: *The only thing I don't understand is why they use public transportation.*

WOMAN 1: *For very long journeys...*

(Mexico City, Orientation group)

It was suggested that a school bus can be used to take the children to school, perhaps in combination with one's own vehicle or with public transportation. However, in subsequent discussions it was concluded that school bus services are not necessary and only represent an additional expense, because "the mother picks them up on public transportation and the father, before going to work, drops them off in his car" (Woman, Mexico City, Check-back group), or they get home by themselves on public transportation. Therefore, it was proposed that a public transportation budget be added to the children from 5 to 11 years old and from 12 to 18 years old. In all the groups in which transport was discussed, the conditions of use, public transport routes and all the challenges involved in using it, were the main topics. Nevertheless, the current state of public transportation was assessed, and the minimum needs required to make it dignified and acceptable for all Mexicans were determined.

40

IV.5 CHILDCARE

For addressing the issue of childcare, the participants in the focus groups brought up the case of a family with a daughter or son under four years of age and with different needs than those who are already going to school. The group's discussion focused, firstly, on the place where the child is cared for. The participants agreed that the family should have access to a daycare center, so that the mother has time to do other things. There were participants who mentioned the importance of the mother taking care of her child; however, the discussion and conclusions were oriented towards the need for daycare services.

In a second part, the conversation turned to the type of childcare service, a subject that provoked an extensive debate. The case study family has access to health services, which in principle allows for the use of the daycare provided by it. Most of the participants gave their opinions on the characteristics of the public and private services and on the difficulties in accessing these services. For public daycare centers: "[...] there are waiting lists and then it takes months" (Woman, Mexico

City); “[...] there is not always space for a child in their particular age-group” (Woman, Mexico City) and “They may not give you [a place].” (Man, Mexico City) In the case of private daycare centers: “[...] even if it’s a little more expensive.” (Man, Guadalajara) “[...] they have until seven o’clock at night [to pick up the child].” (Woman, Guadalajara).

Note that the discussants did not question so much the quality of the services as their availability and accessibility. It was concluded that the family should have a budget to send the child to a private daycare center on working days. In addition, the participants addressed the need to hire, on occasion, someone else to take care of the child when there is some activity that prevents the parent from being with their children after day-care or during the weekends.

IV.6 CASE STUDY

Finally, based on the discussions in the orientation groups, in subsequent stages of the project, the groups discussed what is needed and how much is enough for a dignified life in Mexico. The case study family was outlined as follows:

- Manuel and Carmen live in the city [where the focus group meets] with their children Fernanda and Antonio. In general, they are in good health.
- They live in a home with three bedrooms, 1 ½ bathrooms, kitchen, living-dining room, with an outdoor area for washing, play, and storage.
- They have all the basic services such as water, sewage, electricity, gas, telephone, internet, and garbage collection.
- The house is made with solid and resistant materials.
- Fernanda and Antonio go to a public school and have private sport, art or language lessons outside of school hours.
- Fernanda/Antonio, when they are under 4 years old, go to a private day-care and may require additional care services on weekends.
- The family owns a compact car, but they also use public transportation and occasionally cabs (or private digital transportation platforms).
- The family has access to IMSS or ISSSTE services and occasionally use some private medical services.

CHAPTER V

HOUSEHOLD GOODS AND SERVICES, HOUSING, AND TRANSPORTATION

This and the following two chapters present the results of the group discussions on the different items that make up the MIS basket of goods and services. The objective is to give a general and thorough idea of what this basket should include and why, in the opinion of the focus groups. Chapter VIII presents and discusses the cost of the basket and the amount of MIS. This chapter will discuss the consensus reached by the check-back groups and the final groups on housing, household goods and services, maintenance, and transportation.

43

V.1 RENTAL PRICES

The consensus of the participants in the focus groups was that a decent home for a family with two children should have three bedrooms, 1 ½ bathrooms, a kitchen, living-dining room, an outdoors area for washing, playing, and parking. Based on these characteristics, the price of house and apartment rentals was researched. The maximum size for the houses was set at 120 m².

The rents, as well as the food basket, are issues that were consulted with experts before being discussed with the focus groups. Research was conducted on the rental prices of houses and apartments with up to four bedrooms in the cities where the exercise was carried out (Monterrey, Guadalajara, Puebla and Mexico City). This research also included information on additional housing features, such as the existence of an interior courtyard or patio, laundry room and parking lot, security service, gardens, children's play area and/or nearby public parks. The results are shown in the table below.

Table 2
Rental prices for houses and apartments

	Type of housing	Minimum	Three bedrooms	Maximum
Guadalajara	Houses	\$ 4,900	\$ 5,000 - \$ 7,000	\$ 10,600
	Apartments	\$ 8,500	\$ 8,500 - \$ 15,000	\$ 17,500
Puebla	Houses	\$ 1,600	\$ 3,800 - \$ 14,000	\$ 20,000
	Apartments	\$ 1,600	\$ 6,000 - \$ 9,500	\$ 12,000
Monterrey	Houses	\$ 5,000	\$ 5,000 - \$ 15,500	\$ 15,500
	Apartments	\$ 4,200	\$ 9,500 - \$ 17,000	\$ 18,000
Mexico City	Houses	\$ 5,000	\$ 11,000 - \$ 24,000	\$ 24,000
	Apartments	\$ 3,200	\$ 10,000	\$ 23,400

44

The strategy followed for the discussion was as follows: the information in Table 2 was shown to the participants, which served to give a general idea of the prices and to verify whether they agreed with those parameters. Then, the rental price for three-bedroom houses was discussed, which was established as the number of rooms adequate for the housing of a family of four. The same procedure was followed for the rental value of the apartments. Note that there was an emphasis on estimating the minimum budget needed to rent decent housing anywhere in the city. Finally, the discussion focused on setting a single price without distinguishing between house or apartment: just a place that allows the family to live comfortably and with dignity regardless of the area or neighborhood. Discussions in the final groups in Guadalajara and Monterrey led to a consensus that 6,500 pesos per month is enough for renting a decent home in those cities. The CEEY team considered that this rental price also applies to the case of Puebla. The participants in the final group in Mexico City agreed that, in the case of the country's capital, the minimum is 10,000 pesos. Thus, MIS contemplates two minimum rent values: 6,500 pesos per month in large cities and 10,000 pesos per month in Mexico City.

V.2 HOUSEHOLD GOODS AND SERVICES

This section presents all the goods and services that, in the opinion of the public consulted, are needed in the house for a family to have a dignified life. These goods and services are aligned with the characteristics that the home must have, which have already been mentioned.

In the case of the bathroom, the participants in different groups included everything from cleaning products and utensils to towels for drying hands, body, and hair (for those who have long hair). Also included were other goods that are necessary for children at certain ages, such as the bathtub and the toilet adapter for small children.

As for the bedroom, the necessary furnishings, and items such as quilts and sheets were included. Appliances were also added, such as a television set for the parents' bedroom. Another television set was included for children's bedroom if they are over 12 years old, as well as a tablet for children aged 5-11 years old. Air conditioning, both in the bedroom and in the living room, was a topic of extensive discussion. This was proposed, at the beginning, in Monterrey; however, there was no consensus in the focus groups of other cities, because they considered that for a decent life only one device was necessary. The argument was that the use of floor and ceiling fans was a cheaper alternative that would satisfy that need. However, once it was clarified that the MIS methodology establishes that the inclusion or not of a commodity in the basket should be made according to whether or not it resolves a well-defined need, consensus was reached that it is a necessary commodity. In terms of this methodology, this implies that all Mexican families should be able to have access to an air conditioning unit if, because of the weather in the area where they live, it is necessary. It also implies that those who do not need it can spend the equivalent amount on other devices, or to satisfy other needs.

45

The following dialogue illustrates how consensus was reached:

MODERATOR: *But would it be good if the living room had an air conditioner here in Guadalajara?*

INTERVENTION: *Yes.*

INTERVENTION: *One or two fans.*

INTERVENTION: *But based on the definition [of a dignified life], it would be an air conditioner.*

MODERATOR: *Why? How do you relate the definition to the air conditioner?*

INTERVENTION: *Because if you use fans, it's hot and hot air still penetrates, [but if] the air-conditioning can be turned on for a while and you can cool down, and then you turn your fan on.*

MODERATOR: *Why is cooling [important]? What does it do for Manuel?*

INTERVENTION: *Comfort.*

INTERVENTION: *Well, just rest, sometimes you are working all day and you get homes tired, or with many problems, and that gives you a little bit of tranquility.*

(Guadalajara, Task group)

INTERVENTION: *I think a “minisplit”. Why? Because we were [talking about] a dignified life, we are in Monterrey, as adults one does not got to sleep with thirty-five degrees Celsius, that is not self-respect, and besides, it is not a luxury, it is a necessity a “minisplit”. The usefulness of a “minisplit” is clear, even if it is in a room of a one-year-old child.*

(Monterrey, Task group)

This agreement was verified with the participants in the check-back groups, who reached the same conclusion. In addition, they added that it should be a “minisplit” with the function of heating and cooling, so it can also be considered for places that do not necessarily need to use cold air.

In the living-dining room participants from the groups included furniture such as armchairs, chairs, and tables. Likewise, the need to have a desk, a laptop or desktop computer and a printer so that parents can work from home and children can do homework was mentioned. It was concluded that it is more practical to have a laptop, and that the printer is not necessary. Note, however, that access to internet was included as part of the services necessary for a dignified life, just as the first groups had decided.

Regarding laundry, it was also discussed what the needs of each family member are; that is, if the washing is divided by type of clothes: color, white and sometimes dark clothes; or if the babies' clothes have to be washed separately. The discussion first focused on the type of washing machine needed and concluded that a washing machine with a capacity of 15 kg is required. Then, the discussion centered on detergents, fabric softeners, soap, among others, and finally, the number of washing loads needed per household member. For example, a couple needs four washing loads per week: two loads for colors, one load for whites and one load for dark clothes. When there are teenagers in the home, it was said that at least three washing loads are needed, just for them. All this information allows us to calculate the laundry expenses that have been added to the budget of each family member.

Finally, in the kitchen area the groups' participants included all the appliances and furniture that are required. A refrigerator, stove, microwave oven, blender, coffee maker, among others, were included. There were no disagreements in this area of housing: only the utensils and appliances that are absolutely necessary were included.

V.3 MAINTENANCE

The conservation of housing and household goods by means of check-ups that ensure their functioning is a necessity that is contemplated in the budget for a dignified life. For the participants in the groups, maintaining the house in good condition is indispensable, so it was proposed, in the first instance, that the members of the household themselves should handle the maintenance tasks. However, they also said that they do not always have the time and/or the knowledge to do the repairs. Thus, it was concluded that they must have a budget for those activities. Part of this issue is illustrated in the following discussion:

47

INTERVENTION: *But that would mean doing it yourself.*

INTERVENTION: *Hiring someone else should be considered.*

INTERVENTION: *But Manuel is not lazy, he does everything in his house (laugh).*

INTERVENTION: *It's just that he has to have free time for himself. That is, if he does everything himself, he will never have free time for himself.*

INTERVENTION: *But you do it [once] a year.*

INTERVENTION: *Yes.*

INTERVENTION: *So yes, with the aid of someone else.*

(...)

INTERVENTION: *5 thousand [pesos per year for] hiring someone to do it.*

(Guadalajara, Task group)

On the other hand, the participants commented that some of the home maintenance services are not performed every year. They proposed that the family should have an annual budget for these purposes. Some of these repairs are painting, waterproofing, pipe maintenance, or water or gas leak emergencies.

Maintenance of appliances and other household items is done on a more regular basis. An example is the refrigerator, which may require

service every two years. A car, for example, requires annual maintenance, and the cost is approximately \$2,380 pesos.

V.4 TRANSPORT

48

Transportation is one of the topics that was widely discussed in the focus groups, because it not only satisfies the family's need for mobility, it also allows access to other goods and services. The discussion on this topic revolved around the usefulness of having a car, sometimes for convenience only: "on occasion public transportation is full" (Man, Guadalajara), and other times because it also allows for safe travel. It was also discussed that the use of public transport is necessary, as well as the use of taxis and private transport through car-sharing applications such as Uber. The following paragraph illustrates the uses of the transport by the case study family in a weekday and weekend routine:

In the morning, the parents "go to work by car; depending on the distance, [...] mommy drops off daddy, or daddy drops off mommy." (Man, Mexico City); or one takes the vehicle and the other stays home. On this trip, they drop off their children at school or at the daycare center. After school, the children (12-18 years old) return home by public transportation. In case one of the parents does not work and has to go out during the day, he or she has to use the subway or the bus or call a taxi. In the afternoon, the children are taken to the extracurricular activities by car and are picked up with the car. In the case of the family with a baby, the use of the taxi is contemplated 4 times a year for taking the baby to the pediatrician. If the children go out on weekends, the parents take them on the car and return by taxi or public transport, or they make the whole trip by taxi. The vehicle is also used for going to the supermarket, or for family outings on weekends or weekdays' afternoons.

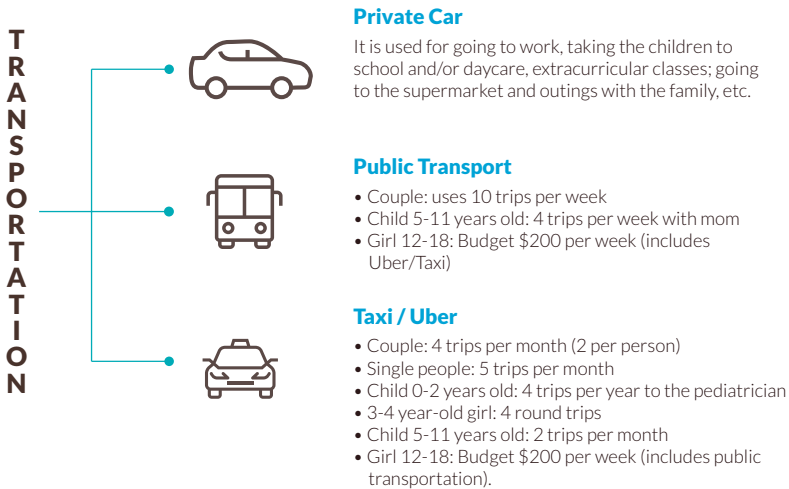
The discussion groups reached a consensus that the car should be of an adequate size for a family of four, and could be a used car, two to three years-old. For that reason, used cars for sale cars were priced: a 2017 Sedan has an approximate value of \$150,000 pesos. This model and budget were reviewed and endorsed by the final groups. Families would change this vehicle every five years. The participants commented that the acquisition of the vehicle also entails the payment of annual insurance, as well as taxes and fees: payment of license plates, property tax, driver's license, circulation permit, and, in the case of Mexico City, ecological verification fees. Likewise, the payment of an annual upkeep

must be contemplated. In relation to the expense of fuel, it was said that it should be enough for traveling about 15,000 kilometers a year.

In this category, goods such as the following were also added: when there are babies, a special chair and protective sunscreen are required in the car. Also, partnered adults were assigned an annual budget for bicycle rentals. As can be seen in Figure 2, in the case of single parents, no budget was added for public transportation, since, according to the groups, when there is a single parent, the car is usually available all the time, and there is no need to use public transportation. On the occasions when for some reason the car is not available or cannot be used, a monthly budget was added for five trips by taxi/ Uber. It was also argued that “you spend less if you use public transportation, what you gain with the car is (saving) time and extra comfort” (Man, Mexico City).

49

Figure 2



CHAPTER VI

PERSONAL CARE, CLOTHING, FOOTWEAR, AND FOOD

51

This chapter presents a series of categories related to personal goods and services needed for a dignified life in Mexico. Likewise, it highlights the focus groups' discussions in Monterrey, Guadalajara, Puebla and Mexico City while they sought to reach a consensus about these categories.

Personal goods and services were divided into three subsections: personal care, clothing and footwear, and food. These subsections were then individually discussed.

VI.1 PERSONAL CARE

In this category everything that is regarded necessary for personal hygiene was included: shampoo, soap, toothbrushes and toothpaste, bath sponges, hair gel, creams, etc. The first task group was made up only of women and the second one only of men. A third task group brought together single parents (both males and females). Finally, four additional groups focused on the personal care needs of children of different ages (Table 1).

The discussion in these groups began with asking participants what personal care products they believed were needed for a dignified life. Once a list of these products had been made, participants were asked about how long such products were expected to last and how much they thought would be needed per month or per year. Participants were also asked about the brands and stores in which the items could be purchased. Later, the check-back groups (Table 1) added additional products and assessed whether or not the aforementioned products were in

fact necessary, and whether the quantities previously identified were realistic.

Due to the COVID-19 pandemic, in March 2020 a virtual meeting with one of the focus groups was held in Monterrey, where details regarding the brand of some products, as well as the amount of the products needed, were analyzed.

Once discussions were completed, we obtained a final list of products for each member of the case-study family.

The following two tables show examples of what a woman and a man with children need for their personal care.

Table 3
Personal care of a woman with children

Hair care	Facial care	Oral hygiene	Body care	Hand and foot care
Shampoo	Face cream	Toothbrush	Body Cream	Nail polish remover
Conditioner	Facial Sponge	Toothpaste	Hair removal/waxing	Nail clippers
Brush/comb	Makeup	Dental floss	Razors	
Hair Gel	Makeup remover	Mouthwash	Bar soap	
Haircut	Tweezers/eyebrows		Panty liners	
Hair dye	Cotton swabs		Sanitary pads	
			Deodorant	
			Perfume	
			Sunscreen	

Table 4
Personal care of a single man with children

Hair care	Facial care/shaving	Oral hygiene	Body care	Hand and foot care
Shampoo	Cotton swabs	Toothbrush	Body Cream	Nail clippers
Conditioner	Shaving cream	Toothpaste	Bar soap	
Brush/comb	Razors	Dental floss	Deodorant	
Hair Gel		Mouthwash	Lotion	
Haircut			Sunscreen	

Below is an example of one of the conversations regarding this topic:

MODERATOR: [...] *Here we said he has razors and shaving cream, but someone said an electric razor. Is it necessary?*

INTERVENTION: *No.*

INTERVENTION: *No.*

INTERVENTION: *No.*

MODERATOR: *Someone may want to shave with an electric shaver, but is the minimum an electric razor or just razors?*

INTERVENTION: *Razors.*

(Guadalajara, Task group)

VI.2 CLOTHING AND FOOTWEAR

In this category, participants included all items deemed necessary in relation to clothing and footwear, such as seasonal-appropriate clothing, as well as casual clothes, formal attire and accessories. During the meetings of the task groups, we first asked women, then men and finally single parents (male and female) about their needs. Four additional task groups focused on the needs of children of different age groups. In these groups, participants were asked to create a list of clothing and footwear needed for a dignified life in Mexico. They were also asked about the durability of each item, and to estimate the number of items that would be needed per month or per year. Lastly, participants were also asked about the stores in which these identified items could be purchased.

The following two tables show examples of the kind of clothing and footwear a 0-2 years-old boy and a 12-18 years-old girl need.

Table 5
Clothing and footwear for a child of 0-2 years

Clothing	Footwear
Pants (denim, cotton and formal)	Sneakers
T-shirts	Shoes
Tank tops	Sandals
Dress shirts (short and long sleeved)	Boots
Turtlenecks	
Sweatshirts	
Babygro/Onesies	
Shorts (denim, cotton)	
Warm Babygro/Onesies	
Socks	
Hats/gloves	
Dress-up costumes	

54

Table 6
Clothing and footwear for a girl of 12-18 years

Clothing	Footwear
Pants (denim, tights)	Sneakers
Shorts	Shoes (casual, school-shoes)
T-shirts	High-heeled shoes
Blouses	Short/long boots
Sweatshirts	Rain boots
Pullovers	Sandals
Vests	Slippers
Jackets	
Coats	
Dresses (casual, party)	
Underwear	
Socks	
Pajamas (summer and winter)	
Swimsuits	
Scarves	
Hats/gloves	
School uniform	

The following two discussions illustrate how consensus about necessary clothing and footwear items was reached within the groups:

Discussion 1. Clothing and footwear needs of children 0-2 years-old.

MODERATOR: *How many onesies?*

MAN: *Do they say 30?*

MODERATOR: *They say 30 every six months.*

WOMAN: *But you wash them daily, you do wash them daily.*

MAN: *It would be about 12.*

MAN: *A dozen.*

WOMAN: *A dozen.*

MAN: *A dozen every 6 months.*

(Puebla, Check-back group)

55

Discussion 2. Clothing and footwear needs of girls aged 12-18

MODERATOR: *The sneakers, does she need 2 pairs of sneakers?*

MAN: *Yes.*

WOMAN: *Two pairs of sneakers? More, I think.*

MAN: *It's not many at all.*

MAN: *Yes, some for casual wear and others for exercise.*

WOMAN: *Yes.*

MAN: *At least.*

MODERATOR: *Would the minimum be 2 then?*

MAN: *Yes, at least 2.*

MODERATOR: *One for casual wear and the other for sports?*

WOMAN: *Exactly.*

(Mexico City, Check-back group)

VI.3 FOOD

In order to identify what people consider a dignified diet, groups discussed the type and frequency of meals that should be available to the case study family. Note that, in determining what a decent food basket looks like, the MIS methodology considers the nutritional as well as the socio-cultural needs associated with food. Thus, the final menus created by the groups included typical Mexican food, sugary drinks, snacks and alcoholic beverages, such as beer; all of which accurately convey an idea of the diet of the Mexican population.

As mentioned in Chapter II, there are aspects of these findings in which the assistance of experts on the subject is required. To this end, we requested a team of nutritionists to assess the menus proposed by the task groups, and then adapt them to meet calorie and nutrient recommendations for each family group. The nutritionists used this information to design menus for partnered and single parents with children of different ages, as well as shopping lists based on possible recipes. Menus and shopping lists were designed for the following types of family:¹

56

- Partnered parents with 1 child 0-2 years old
- Partnered parents with 2 children 3-4 and 5-11 years old
- Partnered parents with 2 children 5-11 and 12-18 years old
- Partnered parents with 3 children 3-4, 5-11 and 12-18 years old
- Single parent with 1 child 0-2-years old
- Single parent with 2 children 3-4 and 5-11 years old
- Single parent with 3 children 3-4, 5-11 and 12-18 years old

Menu design was based on recommendations for calorie and nutrient consumption as reported in specialized literature. In the case of groups under the age of 18, an average was taken from the maximum and minimum age limits, as shown in the following table (Kauffer et al. 2015):

Recommendations for each age group (kcal)

- Adult male: 2000 kcal
- Adult female: 1800 kcal
- Boy 0-2 years-old: 750 kcal (girl 18 months)
- Child 3-4 years-old: 1000 kcal (child 3.5 years old)
- Child 5-11 years-old: 1250 kcal (child 8 years old)
- Male child 12-18 years-old: 2100 kcal (boy 15 years old)
- Female child 12-18 years-old: 1500 kcal (girl 15 years old)

In order to meet dietary requirements, it is necessary that, of the total calories consumed, between 50 and 60 percent come from carbohy-

1. Although menus and shopping lists were the same for each type of family, the amounts were changed according to the number of family members and their age. It should be made clear that in groups where there are children under two-years-of-age, milk formula for children from 0 to 12 months must be added to the shopping list. After the first year, young children can and should participate in the wider family diet.

drates, between 10 and 20 percent from proteins, and 30 percent from fats. While this is the recommendation, menus may vary. The main difficulties in adapting menus were related to maintaining a balance of nutrients and incorporating personal food preferences. Calorie calculations and the distribution of nutrients, as well as the preparation of menus, were carried out using the Nutrimind software, a program that allows users to adjust food amounts in different dishes according to calorie and nutrient prescription.²

The check-back groups verified that the menus designed by the nutritionist were consistent with the diet of a typical Mexican family. Menus were discussed as a series of sample meals both for weekdays and for weekends, as groups mentioned that eating habits changed depending on the day of the week. As part of this exercise, examples were provided for breakfast, lunch and dinner as well as several snack-times.

57

Below are three examples of weekday menus for: 1) partnered parents with no children; 2) partnered parents with children, and 3) a single parent with two children of different ages.

2. <https://www.nutrimind.net/>

Table 7
Weekday menu for partnered parents without children

		Monday		
	Dish/Food	Preparation	Amount	Unit of measurement
Breakfast	Fruit salad	Peeled and chopped		
	Melon		210	g
	Watermelon		215	g
	Cereal			
	Corn Flakes		48	g
	Skimmed milk		720	ml
	Black coffee		480	ml
	Instant coffee		8	g
	Sugar		10	g
Snack	Banana		216	g
	Water		600	ml
Lunch	Beef broth	Boiled in a pressure cooker		
	Skirt steak		300	g
	Carrot		100	g
	Chayote		100	g
	Corn		100	g
	Canola oil		15	g
	White rice	Cooked	200	g
	Lemonade	Freshly squeezed or from a powder		
	Sugar		15	g
Lemon	60		g	
Snack	<i>Guacamole</i>			
	Avocado		160	g
	Tomato		30	g
	Onion		30	g
	Totopos		160	g
	Orange juice		480	ml
Dinner	Coffee with milk			
	Low-fat milk		240	ml
	Water		240	ml
	Instant coffee		8	g
	Sugar		20	g
	Pastries		160	g

Table 8
Weekday menu for partnered parents with two children 3-4 and 5-11 years-old

Tuesday				
	Dish/Food	Preparation	Amount	Unit of measurement
Breakfast	Scrambled eggs Mexican style (egg, onion, chili and tomato)			
	Egg	Scrambled or fried	300	g
	Tomato		75	g
	Onion		45	g
	<i>Chile serrano</i>		30	g
	Canola oil		15	ml
	<i>Tortillas</i>		198	g
	Orange juice		840	ml
Snack	Jicama	Sliced	140	g
	Pineapple		402	g
	Water		1200	ml
Lunch	Pasta soup			
	Bow-tie pasta		132	g
	Carrot		138	g
	Oil		18	g
	Steak	Grilled		
	Beef		220	g
	Oil		15	g
	Salad			
	Lettuce		405	g
	Tomato		110	g
	Cucumber		255	g
	Dressing (fat-free)		45	g
Apple		312	g	
Water		1210	ml	
Snack	Potato fries		250	g
	Coca-cola		660	ml
	Apple juice		400	ml
Dinner	Tuna salad on toast	Chopped and mixed		
	Tuna		245	g
	Mayonnaise		26	g
	Tomato		150	g
	Onion		45	g
	Toast		144	g
	Black coffee		480	ml
	Instant coffee		8	g
	Sugar		10	g
	Whole milk		480	ml

Table 9
Weekend menu for a single parent with two children 3-4 and 5-11 years-old

Saturday				
	Dish/Food	Preparation	Amount	Unit of measurement
	<i>Chilaquiles</i>			
Breakfast	Toast		92	g
	Green tomato	fried	95	g
	Chile serrano		28	g
	Fresh cheese		90	g
	Garlic		10	g
	White onion		35	g
	Watermelon		310	g
	Apple juice		360	ml
	Skimmed milk		270	ml
Snack	Jicama with cucumber			
	Cucumber		158	g
	Jicama		100	g
	Dip (ranch dressing)		27	g
Lunch	Roasted chicken	Bought		
	Fried skinless chicken leg		200	g
	<i>Tortillas</i>		92	g
	Refried beans			
	Fat-free refried beans	Fried	193	g
	Canola oil		10	ml
	Coca cola		330	ml
Snack	Potato fries		110	g
	Apple juice		360	ml
	<i>Tequila</i>		55	ml
Dinner	<i>Tamal</i>			
	Whole milk		360	ml
	Black coffee		240	ml
	Instant coffee		4	g
	Sugar		5	g

These are extracts from transcriptions of two discussions:

INTERVENTION: *But during the morning, before the meal of the day, there's a snack, an apple or something. Then comes lunch, and then in the mid-afternoon again there's a snack, and then dinner. Dinner could be...*

MODERATOR: *Are there two intermediate snacks?*

INTERVENTION: *Exactly.*

INTERVENTION: *It is called a snack, it could be a glass of milk, a cookie, a plate of fruit, but it is a snack.*

(Monterrey, Task group)

61

INTERVENTION: *Sunday is [we have] barbacoa³.*

INTERVENTION: *It's the custom too.*

INTERVENTION: *Sunday, of course. On Sunday here in Monterrey there is no breakfast, there is an early lunch of menudo⁴ or barbacoa.*

(Monterrey, Task group)

3. A typical Mexican dish consisting of meat cooked on an open fire.

4. A traditional Mexican soup made with cow's stomach in broth with a red chili pepper base.

CHAPTER VII

HEALTH, EDUCATION AND LEISURE

In this chapter we present the model which the focus groups' participants determined for three key areas related to quality of life: health, education, and leisure time.

63

VII.1 HEALTH

During the research, discussions with focus groups about what it means to live a 'dignified life' were articulated around the imagined situation of a sample family whose members were described as "generally being in good health". As previously mentioned in chapter IV, the groups agreed that the minimum level of health care coverage for the sample family should be equivalent to that provided by institutions such as IMSS or ISSSTE.

MAN: *I think that, first of all, we should talk about the family as a whole and in general [...]. They should have access to some kind of social security, whether IMSS, ISSSTE or some kind of health insurance.*

MODERATOR: *In your opinion, which would be the most suitable?*

MODERATOR: *You gave us a lot of options, why don't you tell us which would be best and why?*

WOMAN: *IMSS.*

MAN: *Well, I rather think that it depends on the activity that each person performs. I mean, there are those who because of their work...*

MAN: *Manuel and Carmen live in Guadalajara and have two children. That's all [we know about them].*

WOMAN: *It could be either IMSS or ISSSTE.*

MAN: *Social security.*

MAN: *It could be IMSS, ISSSTE or just, well, what used to be the Seguro Popular (The People's Health Insurance Scheme), I mean, at the end of the day...*

MODERATOR: *These are two different things. Why doesn't everyone help me decide...?*

WOMAN: *A national health service, I think.*

WOMAN: *IMSS.*

(Guadalajara, Task group)

64

The focus group's consensus regarding the needs of family members was based on two assumptions: 1) that the family members were in good health, and 2) that they had access to medical services as part of their social security. However, the groups also mentioned that, nowadays, coverage provided by IMSS (the government-provided but privately funded health service) did not sufficiently meet the needs of ordinary people and as such could not be considered a dignified health service. Groups highlighted the particular importance of waiting times in emergencies, the lack of promptness of medical attention and the quality and coverage of health care services such as ophthalmology, dentistry and laboratory tests. Accordingly, the groups agreed that in order to have a decent life, the sample family would need to have access to an annual budget that would enable them to cover expenses related to certain private medical services or procedures.

MAN: *I think it's necessary to have some savings because often the health service of the social security won't treat you immediately. There are sometimes very long waiting times for appointments. So, in an emergency operation, or something that the health system doesn't cover, you're going to require [private medical services].*

MAN: *For medicine, a prosthesis... whatever, you don't have time to go to IMSS and so you go to a family doctor but obviously you have to have the money to pay for the appointment and the medicine that they prescribe you. I mean, at the end of the day, often, and I don't know if it's because people are in a rush or because of the severity of things, one turns to the [private] family doctor. It's well known that in emergencies, IMSS or ISSSTE follow degrees [of risk] [...], and the level of care varies according to the degree, so there is a lot of difference.*

MODERATOR: *Sometimes we're talking about a consultation, sometimes an accident, sometimes someone has to be taken to the family doctor or to buy medicine...*

WOMAN: *I would suggest a thousand pesos per month as a baseline and then on top of that people should save.*

MAN: *I would say savings of five thousand.*

MODERATOR: *You mean, you'd keep a reserve of five thousand always? Okay.*

WOMAN: *I think five thousand is okay because you also have the health service [provided by the social security].*

MODERATOR: *Gilberto, Carlos, five thousand?*

MAN: *Between 10 and 15.*

MODERATOR: *Gilberto?*

MAN: *Yes.*

MODERATOR: *With a question mark.*

(Guadalajara, Task group)

65

In the model that was ultimately chosen by the groups, the following IMSS or ISSSTE medical services were deemed good enough for addressing the health care needs of the case study family: consultations with a family general practitioner; access to a pediatrician and gynecologist; access to medical specialists and chronic disease care; access to medicines and laboratory tests. However, in more detailed discussions, groups had difficulties in reaching consensus regarding the adequacy of some medical services and procedures. For example, some participants argued that in order to meet the requirements of dignified life, consultations with pediatricians and gynecologists should take place in the private sector. These differences in opinion partly reflect regional differences in perception related to the differing quality of IMSS services. While in Guadalajara and Puebla groups agreed that such services were sufficient for dignified healthcare, fewer people in Mexico City and Monterrey considered this to be the case.

The focus groups determined an annual budget for use in private health care services. It was envisaged that this would be used for a one-off diagnostics test equivalent to an annual check-up for each adult in the family, two visits a year to the dentist and an annual consultation with an ophthalmologist for each family member. The budget also allowed for a pair of new eyeglasses per year and frames every two years for each member of the family. This budget was supplemented with: 1) an annual amount per person that would be put towards the creation of a medicine cabinet that would contain healing supplies, painkillers and flu medicine, and, 2) by an annual family savings fund for any

unexpected expenses arising from emergencies, particularly accidents, surgeries or consultations with specialists.

In groups made up of single parents, an annual budget for consultations with a psychologist, both for the adult and child (or children) of the family, was considered particularly important. Subsequently, participants discussed what the minimum number of consultations would be per year, and whether they would also be necessary for partnered parents and their children. Finally, they agreed on a budget that would cover the cost of a minimum of eight consultations per year for single-parent families and two consultations per year for partnered adults with children.

66 **MODERATOR:** *Regarding Manuel or Carmen, who live with their children, the previous groups [considered] that in terms of health care coverage they should have a coverage that is equivalent to IMSS or ISSSTE. In other words, the national health system [...] But people also felt that, in addition to this, they should also have an annual budget for other private expenses [...] So the discussion [...] that we want to propose here is about those private expenses, what private expenses might arise throughout the year for Carmen or Manuel [...]? What other needs do they have?*

WOMAN: *A psychologist.*

WOMAN: *Perhaps a psychologist as well.*

MODERATOR: *Are psychologists not provided by IMSS?*

WOMAN: *No.*

WOMAN: *No.*

MODERATOR: *No?*

MAN: *Yes.*

MAN: *There are psychologists at ISSSTE, the problem is how frequently you get a consultation, how often they see you.*

MODERATOR: *Okay, and IMSS can't meet those needs?*

WOMAN: *With psychological [needs] not so much.*

MODERATOR: *Now, let's say Carmen or Manuel enjoy good health, not that someone who goes to the psychologist is necessarily sick, but if they enjoy good health, should we put it [psychological support] as a necessity?*

MAN: *Yes.*

MODERATOR: *Should we include it in the budget?*

WOMAN: *I think that at present a psychologist is a necessity.*

WOMAN: *It's a necessity.*

MAN: *Yes, I think it's a necessity too.*

WOMAN: *And more so when you're alone raising your kids, right?*

WOMAN: And often, the school also forces you to take your children to certain appointments with a psychologist, and then there is a follow-up.

MODERATOR: But thinking about Carmen and Manuel, do we also assign them a psychologist?

MAN: Yes.

WOMAN: Yes, I think so.

MAN: It's just that if you're single parents, yeah.

MAN: But for example, as you said, IMSS or ISSSTE are supposed to provide that [...].

MAN: IMSS does provide it.

MAN: Because it's supposed to provide it, but it doesn't really.

WOMAN: The reality is very different.

MODERATOR: Yes, we have to stick to reality in that sense.

WOMAN: It doesn't provide that service as much as it should.

MAN: It doesn't really provide it or not enough.

MAN: Sorry, with some situations IMSS and ISSSTE offer psychological services to people who experience something traumatic, such as a transplant, either a bone marrow transplants, transplants...

MAN: Or with cancer.

MAN: People who suffer from cancer...people who are already in the final phases. So those people are the priority. IMSS does not treat the mental health of people suffering from anxiety, stress, or other such related issues, as a priority. That would have to be treated outside.

MODERATOR: Okay, so let's stop here. Let's [include] the [consultation with a] psychologist [in the budget], okay?

MAN: Yes.

(Guadalajara, Task group)

In the two scenarios outlined above, the budget does not provide for expenditure related to private medical expenses that may be necessary for families with members suffering from specific conditions, such as physical or mental disabilities and chronic illnesses. This should be covered by social security.

VII.2 EDUCATION

The groups consulted also discussed the relationship between children's education and the definition of a dignified family-life in modern-day Mexico. As mentioned in chapter IV, the groups agreed that public edu-

cation can provide children with a minimum level of educational services for a dignified life. This minimum was defined as follows: a public school with all the necessary characteristics to satisfy children's educational needs and skills development, through arts, sports, language learning and technology, and one which provides a safe environment and where parental participation is encouraged. If public schools did not or could not provide these additional activities, groups considered it necessary that families have a budget to pay for them via external providers outside of the existing public school system.

MODERATOR: [...] *What should the children, Fernanda and Antonio, have access to in terms of education, in order to have a dignified life in Mexico?*

WOMAN: *Full-time [all-day schooling].*

MODERATOR: *Okay, let's write here full-time school. And you're imagining a private school then?*

WOMAN: *No, it's public.*

MODERATOR: *Public, does everyone agree with that kind of school?*

MAN: *Yes.*

WOMAN: *I believe that children should learn more languages, not just Spanish but other languages. But if that's the case then it would have to be a private school, right?*

WOMAN: *For me sports are very important, because it is there that a child can get rid of their stress, it's good for mental development. That's something that is very important to me.*

WOMAN: *Psychomotor development.*

WOMAN: *It is also about personal development.*

MODERATOR: *And does a public school have this? Any public school? Imagine that [they] were living anywhere, in Guadalajara...*

WOMAN: *Not in every school.*

MAN: *In public schools such programs do exist.*

MODERATOR: *So, if all the children, if the two children go to a public school, be it primary or high school, would they have access to everything?*

WOMAN: *Not in every school.*

MAN: *Not every school.*

WOMAN: *Their parents would have to look for a school. And, honestly, these schools do exist in Guadalajara, but there are very few of them and access to them is very limited. They [the parents] have to have some influence, or they have to insist to the principal that, if a place is not available one year, then [they will be offered one] the following year. Some are like that, my kids were in a school where all this was going on and people even think*

it happens, correct me if I'm wrong, in downtown Guadalajara. So, like that one [already mentioned] there are others, but there are not many in Guadalajara.

MODERATOR: OK, let me put the situation to you. Manuel and Carmen are settled in Guadalajara, [their children] go to public school, but in that school, it turns out that they don't have extracurricular activities. Do they need to do anything else or do they need to supplement the basic [provision], that we already said is part of a [minimum] public school [services], with things [additional training activities]?

WOMAN: Sure, yes, computer lessons. English and computer lessons. Maybe computing is already taught in high school, not in primary school and it is necessary because those two things are basic for our children, for their daily life: English and computer lessons. And even if it wasn't offered in school, these resources or knowledge are necessary for families, for us, to teach our children, if there is no other option.

WOMAN: Yes, they should have sports [practice].

WOMAN: [...] There are children, for example, who have problems with stress, dealing with life, different things, and sometimes they don't know how to focus their emotions. For me sports are extremely important because [through them] one learns how to lose and win without getting frustrated. For me it is indispensable for a child's mental health.

WOMAN: That they have therapy [by a certified psychologist].

MODERATOR: That schools should offer therapy?

WOMAN: Yes, my children's school is one of the few that offers psychological [support]. It channels them towards some sports or subjects. They distribute the students according to their needs, for example, you need math, you need more sports.

MODERATOR: And does everyone agree that the school they [Manuel and Carmen] choose has to have a psychologist?

MAN: Yes.

WOMAN: Yes.

MAN: Also, something else that could go into education could be courses for the parents, that some schools...

MODERATOR: And how often would that be...?

WOMAN: An extra activity, once a month.

MODERATOR: That is, should parents also devote time to attend some courses?

WOMAN: *Yes, the school should offer that; a course for parents once a month. There are schools that train you, and where, if you don't have a certain level of attendance over the year, your child can no longer enroll for the next [school] cycle. And the topics you see at courses for parents are related to drugs, sexuality, and so on [...]. That shapes you as a parent so that you can then help the teacher educate the children.*

(Guadalajara, Orientation group)

The general model agreed on by the task groups highlights that public education plus a budget for additional activities outside of school are necessary for a dignified life. However, what is meant by 'activities' varies in some respects according to the age of boys and girls.

70

Among young children up to two years of age, educational expenditure goes towards childcare. The groups argued that mothers should be given the opportunity to work but also have free time, as determined by the definition of a dignified life. In terms of daycare, the group considered 10 hours a day as a reasonable requirement during the working week plus a further 6 hours of childcare during the weekend.

Since the case study family was envisaged as being insured by IMSS, childcare provision would therefore be provided as part of their coverage. However, only so-called "inclusive day-care centers" offer childcare provision for up to 10-hour days. Furthermore, The groups considered that, although the service, in principle, is free of charge, it is up to the day-care center whether or not a fee, which is in accordance with the socioeconomic level of the family, would be necessary. They therefore determined that there should be a monthly budget to cover any additional expenditure. They also allocated a small annual budget for expenditures related to school supplies and children's personal care. In relation to caregivers during weekends, the group considered that this role could be occupied by someone in the family but that, as it is a paid activity, a weekly budget should be allocated.

Regarding the educational needs of girls and boys aged between 3 and 4 years, the focus groups considered preschool education in a public school to be sufficient. However, the groups identified expenses associated with the annual fee, school supplies, backpacks, and lunch boxes, which should be included in the family budget.

The needs of children aged between 5 and 11, who attend primary school, also include school supplies and materials, backpacks and lunch boxes, although these items have different characteristics to those needed by younger children. For example, the supplies and mate-

rials needed for this age group were considered to be of greater quantity and quality than was the case with younger age-groups. In addition, annual expenses such as enrollment fees, monthly fees, fees related to school IDs or group photos, as well as monthly costs, such as breakfast at the school cafeteria, were added to the budget. In relation to all the aforementioned expenditures, the task groups agreed on a minimum budget that they considered enough. For secondary and high school students, these annual expenses were not considered necessary.

Groups' participants were particularly conscious of the importance of sports, foreign language learning, artistic activities and visits to museums and exhibitions, which they deemed necessary for the physical and mental health of children as well as the development of psychomotor and socio-emotional skills. The group consensus regarding the family budget to meet these needs is discussed in the final section of this chapter.

Finally, groups' participants mentioned other needs that families should meet as part of children's and adolescents' comprehensive education. In particular, they highlighted the need for access to communication and information through technology, such as computer use and internet access. This topic is further discussed in chapter v.

71

VII.3 LEISURE

The right to enjoy free time under safe conditions is an important element of a dignified life that contributes to and draws on other aspects of the standard of living, such as physical and mental health, enjoyment of culture and nature, communication and social participation.

The focus groups considered that leisure time should include entertainment and sports activities (whether individually or with family and friends) and social gatherings, for example, birthday parties, celebrations, and other gatherings at home, work or school. Weekly or monthly outings with family and/or friends were also included, as were annual family holidays.

Participants considered that partnered parents' needs for physical activity could be met with a gym membership or an equivalent activity twice a week. With regards to couples' needs for outings, it was agreed that a relatively small part of the budget should be set aside for a once-a-week activity or a larger part put aside for two monthly activities. Participants added to the budget an annual amount that would cover expenses related to the couples' anniversaries. Likewise, couples have a

budget for a day out or a visit once a month to see their family (grandparents), or the respective friends of each partner. Finally, they considered it necessary to have an annual budget set aside for gifts, such as for birthdays, graduations and end-of-year celebrations.

In the case of single parents, the focus groups maintained a model which envisaged a similar use of leisure time to that established for partnered parents, although they did increase spending per person due to the greater frequency of activities in the case of sports activities, trips and outings with friends. The budget set aside for gifts and for Christmas celebrations was increased in unit value, and money put aside for anniversary celebrations was re-allocated to a personal gift in the case of singles.

72 In the case of children's free time, the groups identified a need for the following: weekly classes (either in the arts or related to sports or tutoring); weekly or biweekly outings with parents or friends at weekends or even occasionally on weekdays (depending on their age). The groups of parents argued that socialization, as part of extra-curricular school activities, such as school celebrations or the birthdays parties of classmates, was necessary for a dignified life. Accordingly, an annual budget was allocated for school events, for costumes and for birthday gifts, which were envisaged as varying depending on the age of the children.

Among the needs associated with children's free time, the importance of gifts of toys (of different kinds depending on the age-group) at various times of the year, including Christmas and their birthday, was highlighted. Budgets allocated to boys and girls did not change with age, except in the case of toys (which were allocated a budget that increased according to the age-group), and birthday gifts for teenagers (aged between 12 and 18 years), which were increased for the 15th birthday of girls and the equivalent celebration for teenage boys, which is set at around the same age. In addition, the groups considered that going out with friends is an important element of a dignified life for teenagers. They highlighted activities such as going to music concerts or participating in a summer camp or picnic by the river and allocated an annual budget accordingly.

MODERATOR: [...] *The previous group, [...] recommended a games console, video games and membership for playing online. So, the question we have for you, thinking about Fernanda's free time and thinking about her outings, about games and the fact that she already has a laptop, is whether we should add a console?*

WOMAN: No.

WOMAN: I don't think it's necessary for her to have one, and with everything you've mentioned, I don't think she needs a console and video games and all that. I mean, for a dignified life I don't think that's needed.

MODERATOR: But what is a console necessary for or in what situation might it be considered necessary?

WOMAN: Because [...] they're at that age where they love video games, they love playing online. It's true, they love it. But also, if they don't have one, it's ok, I think.

MAN: Exactly, I think although there [on the flipchart] it says console, we can diversify that aspect a lot, because if we're thinking about a boy or a girl, it could be a console or it could be a good bike, or it could be a scooter, or a skateboard, or ice skates and going to ice rinks. So it doesn't have to be a console. I think it could be any equivalent of any of those [items] I just mentioned [...]

73

(Mexico City, Check-back group)

Among leisure activities, family holidays were identified as being especially relevant.

MODERATOR: Why is it important that Manuel and his family take a [...] holiday [...]?

INTERVENTION: For their mental health.

INTERVENTION: Because of health issues.

INTERVENTION: To make time for family, family-time and because that's what children remember.

INTERVENTION: Yes.

MODERATOR: Family-time and family memories.

INTERVENTION: To interact.

(Guadalajara, Task group)

The model that was outlined in the task groups and then subsequently validated by the check-back groups, suggested that families should have two holidays a year. The first was proposed as an all-inclusive package holiday (five nights) at the seaside with lodgings in a hotel (4 stars) and ground transportation (bus). The second was contemplated as a weekend away (three nights) to some rural destination such as a village in the interior of the country, which the family would travel to in the family car. On this second holiday, the family would stay in

a small cabin or hotel, where food would not be included. The budget allocated for holidays was designed to include expenditure related to some recreational activities, the purchase of consumer goods for children, entertainment and souvenirs.

CHAPTER VIII

PRICE SURVEY, PRICE QUOTES AND THE MINIMUM INCOME STANDARD (MIS) FOR MEXICO

75

VIII.1 PRICES AND ESTABLISHMENTS

In this chapter we will look at the process of costing the items that were chosen and agreed upon by the focus group participants, and which are needed to determine the family budgets. As previously mentioned, during each of the focus groups, participants were asked about the kinds of stores in which items might be purchased as well as the quality and brands that corresponded with both the items described and the needs of the model family. Accordingly, at the end of June 2019, items began to be systematically costed through the requesting of quotes from the following stores: Walmart, Suburbia, Home Depot, Office Depot and Coppel. In general, participants agreed that most of the household items identified could be found listed in Walmart. Items of clothing, on the other hand, were thought to be found in Suburbia, furniture in Coppel, and some specific electric and electronic items were considered to have good prices in Home Depot and Office Depot. Here is an example of how groups decided which stores to visit in order to acquire price quotes for their items:

MAN 1: *There are some places where you can get very cheap clothes, such as outlets; in outlets they have, let's say, sales, and you can get very cheap clothes in outlets.*

MODERATOR: *It's just that right now we can't [consider]...*

WOMAN: *Sales [Discounts].*

MODERATOR: *Exactly, right now, we're not considering sales and we're talking about different cities, not just Mexico City, and in many cities, there aren't any outlets.*

MAN 1: *Well, we could also include the Suburbia store.*

MAN 2: *Suburbia is very good for children's clothes.*

MAN 3: *Suburbia is very good for some things [clothing items].*

(Mexico City, Task group)

76

In most cases, focus group participants indicated that the price quotes should correspond to those items which are “the cheapest” or have an “intermediate” price. Alternatively, a specific minimum budget was identified for all items which prices could not be found -except for those that the groups agreed should be of a particular brand in order to meet the minimum requirements. The price survey procedure was as follows. Items were classified by department and store. Then, between June 10th to July 17th 2019, prices were quoted for 889 items out of a total of 1,245. To 216 of the remaining 356 items, minimum budgets were allocated—these items were associated with holidays, household or personal services and/or transportation. Afterwards, all the quotes and budgets were assessed by the check-back groups. We also checked the reliability of estimates with private service providers (as was the case with Totalplay, Nissan, Uber, etc.).

Finding the prices of the remaining 140 items required further research with the focus groups, as these items were not fully defined. For example, participants in the group of single parents (Guadalajara, April 14, 2019) considered a toolbox an important addition to the household goods basket. However, they did not describe exactly what kinds of tools this toolbox should include. The check-back groups often rectified these errors or omissions, and sometimes they provided examples of possible quotes as a guide. The only group of items in which the prices could not be straightforwardly determined were those related to winter clothing and shoes, as they were not available at the time of the first price survey. However, in the subsequent check-back groups, discrepancies were rectified and price quotes for winter items established.

Food shopping lists, which were generated as described in chapter VI, were costed according to Walmart prices, following the groups' recommendations.

WOMAN 1: *It's just that you buy it at the supermarket...*

MAN 1: *Walmart, Aurrera.*

WOMAN 2: Fruit and vegetables are [bought] on one place [establishment]...meat is [bought] on another place [establishment] [...]

MAN 1: It's not a general thing, sorry, but women are more thoughtful in that respect; it's not always the case, and yes, there are many exceptions, but men are often more practical. We prefer to shop at Walmart or Aurrera for everything.

MAN 2: Everything.

MAN 1: For some things, it's not necessary, but we are more practical in that sense.

MODERATOR: And I appreciate these two points of view, because we have to find [a single place for shopping] that is feasible for everyone; because in other groups we have heard comments that, actually, maybe Carmen or Manuel can't make time to go to the fishmonger's, the greengrocers, the bakery.

MAN 3: I think these days...

WOMAN 1: That is, in just one establishment.

MODERATOR: In a single shopping trip?

MAN 2: Yes, exactly.

MODERATOR: Okay. A single shopping trip.

WOMAN 3: Everything.

MODERATOR: Where?

MAN 4: It could be Walmart or it could be [...], it could be Soriana.

(Guadalajara, Task group)

Table 10
Examples of notations made during price survey

Group	Space	Item	Quantity in package	Cost in store (MXN)	Brand	Store	Product name	Date of survey
G8	Bathroom	Toilet Adapter/ a babies' potty	1	\$78.0	Prinsel	Walmart	Prinsel Plastic Toddler/ Baby Toilet Adaptor	10/6/2019
G5	Kitchen	Children's cups	1	\$19.9	Disney	Walmart	Plastic Kids Themed Tumbler	10/6/2019

Items that could not be standardized were collected together and then the groups discussed whether or not they should be kept. Note that the first check-back group, which consisted of partnered parents with children (Table 1), reviewed the baskets that men and women with children had defined separately. Here their main task was to accept or reject the quotes that had been submitted.

The following is an example:

MODERATOR: *Man 1 made a gesture indicating that the electric toaster oven should be [not included].*

MAN 1: *It's not needed.*

WOMAN 1: *No.*

[...]

WOMAN 3: *I think it is [necessary], because if you need to bake something small you're not going to turn on the oven or the stove for something small.*

MODERATOR: *What do you think of that explanation?*

WOMAN 2: *I hardly use it.*

WOMAN 1: *And the micro[wave] also has that function.*

WOMAN 3: *No, microwaves are not the same as an oven.*

WOMAN 1: *But it's not, like, very basic anymore.*

WOMAN 2: *If you want to toast even just a little bit of bread you can do it in the pan and quickly.*

MODERATOR: *Okay, let's think about Manuel and Carmen's needs. What do you think? That they should have the budget to buy an electric toaster oven? Do you think that if we take the toaster oven [from the list] they still have a dignified life or not, anymore?*

WOMAN 3: *No, nothing changes if it's removed.*

MODERATOR: *Does it not create a problem?*

WOMAN 2 : *No.*

MODERATOR: *So, is it okay if we remove it?*

WOMAN 3: *Yes.*

(Puebla, Check-back group)

A large number of the price quotes remained unchanged. However, where big changes did occur were in relation to prices of furniture, appliances and clothing. In this respect, the following example is worth mentioning: A 32-inch LG TV was replaced by a 40-inch one, as participants were keen to give more weight to what they saw as the needs of the family unit as a whole. Another example: The check-back group rejected the price quotes for the living room furniture that had been

suggested by the task groups; they asked for the price quotes to be from a particular store: “Dico”. The reason given by the check-back groups was two-fold: Durability and price. On the other hand, all check-back groups accepted the price quotes for clothing and footwear items decided by the task groups. In spite of this agreement, in the check-back groups it was decided that the minimum amount of clothing needed by family members could be significantly reduced.

VIII.2 BUDGETS AND PRICE QUOTES

Budgets for holidays, transport and health were reviewed by the final groups (Table 11). Holiday packages were quoted using the Bestday.com travel agency and according to the following requirements:

79

- An all-inclusive holiday to the nearest beach by bus (priced separately):
 - Nayarit, Mazatlán, Acapulco and Tampico.

The quotes for holiday packages totaled around MXN 15,000 for a family made up of two adults and two children. [Hereafter, MXN stands for Mexican pesos.] This budget served as a starting point for calculating the final holiday budgets. The final groups decided to allocate a minimum budget for a beach holiday of MXN 5,000 per adult or per child over 12 years of age, and MXN 3,500 per child under 12 years of age. For other types of holidays (i.e., not beach holidays), a fixed cost of MXN 6,000 for the rent of a cottage to accommodate a whole family was decided. In both cases, a budget of MXN 1,500 was also set aside for expenses during holidays.

In relation to the budget for family transport, a mixed strategy was used. The minimum expenditure on taxis or Ubers were agreed upon by the groups directly. The budgets for the purchase of a car, its maintenance and insurance were obtained from reliable sources on the internet. Finally, these budgets were evaluated and ratified by the final groups.

Quotes for other elements such as the budget for additional expenditure relating to private health care services and procedures were found by researching the costs of private laboratories and hospitals.

Table 11
Selected examples of budgets (biweekly, MXN of February 2020)

Family member	Car Expenses	Transport fares and other transportation costs	Holidays	Health
Couple	\$ 2,064.25	\$ 310.53	\$ 780.82	\$ 634.85
Child 0-2 yrs		\$ 82.54	\$ 143.84	
Child 5-11 yrs		\$ 206.38	\$ 143.84	\$ 147.95
Single parents with children	\$ 2,064.25	\$ 175.00	\$ 575.34	\$ 622.56
Girl 12-18 yrs		\$ 428.57	\$ 205.48	\$ 131.51
Girl 3-4 yrs	\$ 23.53	\$ 200.00	\$ 143.84	\$ 32.88

80

As mentioned in chapter v, the rental costs for what was considered to be a decent home were determined using a telephone survey of around 90 homes that were up for rent in the metropolitan areas of Mexico City, Guadalajara and Monterrey. As previously mentioned, this process led to two key findings on behalf of the groups: That families outside of Mexico City would require MXN 6,500 per month in order to rent a decent home, and in Mexico City, the group decided that a minimum cost of MXN 10,000 per month was necessary.

VIII.3 APPORTIONING COSTS AND DIFFERENT TYPES OF FAMILIES

Once costs had been surveyed and price quotes established, a budget was obtained for each member of the sample family. Budgets were also linked to a specific unit of time: a fortnight (or two weeks), which tallied directly with the most common wage-payment schedule in Mexico.

It is important to highlight that expenditure on goods and services were integrated into the biweekly budget. For example, electrical and electronic products were thought to last between 3 and 5 years, while some furniture was thought to last between 10 and 15 years. In accordance with the MIS methodology the total cost was assessed based on the total number of fortnights that goods or services were expected to last. Based on the individual family members' budgets, we calculated the final fortnightly budgets for seven family-types. These differ according to the number of heads of household and the number and ages

of children. The ages of boys and girls also capture differences in school experiences: children between 0-2 years of age do not go to school, whereas 3-4 year olds attend preschool, 5-11 years olds primary school, and 12-18 years olds secondary and high school.

- Partnered parents with:
 1. One baby between 0-2 years old
 2. Two children, one 3-4 and one 5-11 years old
 3. Two children, one 5-11 and one 12-18 years old
 4. Three children, 3-4, 5-11 and 12-18 years old
- Single parents with:
 5. One baby between 0-2 years old
 6. Two children, one 3-4 and one 5-11 years old
 7. Three children, one 3-4, one 5-11 and one 12-18 years old

81

VIII.4 THE MINIMUM INCOME STANDARD

The Minimum Income Standard (MIS) for a dignified life in large cities of Mexico is presented, for each family type, in Table 12. The amount is presented in MXN (Mexican pesos) of February 2020 and represents expenditure over a two-week period.

Due to differences in rental costs between Mexico City and the other cities studied, MIS is firstly presented without including housing costs. As such, the budget represents that of a family that already owns a decent home. The biweekly budgets range from MXN 18,021 for a couple with a child under 2 years of age, to MXN 28,051 for a couple with three children, in which one is of preschool age, another in primary school and a third in secondary or middle-high school.

In the case of a family with a single parent, MIS is approximately MXN 2,700 lower, biweekly. For a couple with one child of preschool age (3-4 years old) and another in primary school (5-11 years old) it is MXN 21,712 per fortnight, whereas for a single parent with children within the same age ranges it is MXN 19,134 (Table 12).

For families renting a decent housing, the cost is added to the aforementioned amounts. Thus, MIS, which includes housing costs for a couple with two children of preschool and primary school age, is estimated at MXN 25,448 in Puebla, Monterrey or Guadalajara and MXN 27,198 in Mexico City (Table 12).

Table 12
Minimum Income Standard for a Dignified Life in Mexico's Big Cities
(MXN of February 2020, per fortnight and according to family type)

Family type	Household goods & services	Transport	Personal goods & services	Clothing & footwear	Food	Education	Free Time	Total w/ rent	Rent & maintenance fees	Total w/rent outside of CDMX	Rent & Maintenance/ CDMX	Total w/ rent CDMX
Couple + 1 child 0-2 yrs	3,643	2,459	1,977	2,190	3,038	1,220	3,494	18,021	3,737	21,758	5,487	23,508
Couple + 2 children 3-4 and 5-11 yrs	4,051	2,807	2,013	3,006	3,771	503	5,560	21,712	3,737	25,448	5,487	27,198
Couple + 2 children 5-11 and 12-18 yrs	4,291	3,011	2,718	3,530	4,246	608	5,950	24,355	3,737	28,092	5,487	29,842
Couple + 3 children 3-4, 5-11 and 12-18 yrs	4,704	3,236	2,841	4,176	4,941	774	7,379	28,051	3,737	31,788	5,487	33,538
Single parent + 1 child 0-2 yrs	3,319	2,324	1,555	1,522	1,730	1,220	3,551	15,220	3,835	19,055	5,585	20,805
Single parent + 2 children 3-4 and 5-11 yrs	3,728	2,671	1,591	2,338	2,686	503	5,616	19,134	3,835	22,968	5,585	24,718
Single parent + 3 children 3-4, 5-11 and 12-18 yrs	4,381	3,100	2,419	3,508	3,670	774	7,435	25,287	3,835	29,122	5,585	30,872

Note. For more information on the components of "Household goods and services", see Table 13; items of "Food" in Table 14; "Clothing and footwear" and "Free time" in Tables 15 and 16. "Transport" includes all costs related to the use of private and public transport. "Personal goods and services" include expenses related to health and personal care. "Education" includes all expenditure related to: school supplies, children's activities in public schools, and day-care facilities for children under 2 years of age. The amount allocated for rent also includes expenses related to home maintenance.

Precisely how much is considered enough for a dignified life depends on the number and age of children in any given family. Couples with two children aged 3-4 and 5-11 years of age require 20.5% more income than couples with a baby under two years of age to achieve the same level of dignified life. And when both children are of school age, the required increase in the couple's income is 35.1% higher than the income of a couple with one child under 2 years of age. Finally, a couple with three children aged 3-4, 5-11 and 12-18 years old requires a minimum income that is 55.7% higher than that of a couple who have just one baby (Table 12).

Rent and maintenance of housing, as well as items related to leisure time, household goods and services, food, clothing and footwear, and transport represent 20.2%, 20.4%, 14.9%, 13.9% and 11.1% and 10.3%, respectively, of MIS for a couple with two children aged 3-4 and 5-11 years in Mexico City (Table 12).

Tables 13-16 provide examples of the breakdown of the budget according to household goods and services, food, clothing and footwear, and leisure, as defined by focus groups participants.

In the case of household goods and services, the highest expenditure is allocated to utilities (water, electricity, gas, internet packages, landlines and mobile phone plans) with an average of 27% of the total budget spent in this area. Furniture, consumer goods, household products and electronics are other important components in this category (Table 13).

As regards to food, family budgets increase according to the number of children and this increase occurs both with couples and in single-parent households. For example, the budgets of couples with children aged 3-4- and 5-11-years old show that the budgetary needs of couples are greater than that of single parents with two children of a similar age: in the former MXN 3,771 are required versus MXN 2,686 in the latter (Table 14). Adding a third child aged between 12 to 18 years of age increases the budget required by couples and single parents to MXN 4,941 and MXN 3,670, respectively.

It should be noted that for couples with children 0-2 years old, the food budget is similar to that of a couple with two children 3-4 and 5-11 years old (MXN 3,038 and MXN 3,771, respectively), owing to the inclusion of milk formula in the shopping list for children aged between 0 and 12 months. After the first year, babies can, and indeed should, participate in family meals.

Table 13
Minimum Income Standard. Household goods and services
(MXN of February 2020, by fortnight and according to family type)

	Family type	Furniture	Decoration	Utilities	Electro-domestic products	Electronic products	Products for the house & home safety	Cleaning & laundry	Other consumables	Cooking & home utensils	TOTAL
84	Couple + 1 child 0-2 yrs	489	211	1,055	349	329	328	81	609	191	3,643
	Couple + 2 children 3-4 and 5-11 yrs	625	280	1,055	388	437	516	84	538	130	4,051
	Couple + 2 children 5-11 and 12-18 yrs	639	284	1,125	388	645	471	84	533	122	4,291
	Couple + 3 children 3-4, 5-11 and 12-18 yrs	724	348	1,125	425	645	589	86	627	134	4,704
	Single parent + 1 child 0-2 yrs	320	208	1,020	273	281	295	160	591	171	3,319
	Single parent + 2 children 3-4 and 5-11 yrs	456	277	1,020	312	389	483	162	519	110	3,728
	Single parent + 3 children 3-4, 5-11 and 12-18 yrs	555	345	1,090	350	597	556	165	609	114	4,381

Note. Each category includes the following goods and services: 1) Furniture: items for the living room, dining room, bedroom and kitchen; 2) Decoration: photos, pictures, plants, rugs and curtains; 3) Utilities: water, electricity, LPG gas, internet service, television, landline telephone and cell phones; 3) Appliances: refrigerator, stove, microwave, stove hood, boiler, fan, minisplit air conditioner, washing machine, dryer, coffeemaker, toaster, blender, electric mixer; 4) Electronic products: laptop computer, printer, television, DVD player, headphones, speakers; 5) Products for the house & home safety: mirror, bathroom cabinet, patio table and chairs, bench, bedspreads, pillows, toys; 6) Cleaning and laundry: household cleaning products, laundry detergent; 7) Other consumables: trash bags, insecticide, toilet paper, napkins, wet wipes, bar soap, liquid hand soap.

Table 14
Minimum Income Standard. Food items
(MXN of February 2020, by fortnight and according to family type)

Family Type	Fruits & vegetables	Meat & Fish	Dairy	Processed foods	Bread & tortillas	Non-alcoholic beverages	Beer, wines & spirits	Eating out	TOTAL
Couple + 1 child 0-2 yrs	602	470	283	372	224	178	228	681	3,038
Couple + 2 children 3-4 and 5-11 yrs	784	581	367	411	295	264	228	842	3,771
Couple + 2 children 5-11 and 12-18 yrs	838	670	398	504	349	334	228	925	4,246
Couple + 3 children 3-4, 5-11 and 12-18 yrs	948	735	495	536	411	395	228	1194	4,941
Single parent + 1 child 0-2 yrs	337	281	177	209	132	122	114	358	1,730
Single parent + 2 children 3-4 and 5-11 yrs	534	390	283	261	199	228	114	677	2,686
Single parent + 3 children 3-4, 5-11 and 12-18 yrs	711	545	422	389	311	307	114	871	3,670

In the case of clothing and footwear, individual budgets for adults show that the needs of single parents are slightly higher than those of partnered parents: MXN 469 versus MXN 412 for everyday clothing; MXN 179 versus MXN 125 for underwear, and MXN 185 versus MXN 171 for footwear (Table 15). Furthermore, needs in this area increase considerably with age. For example, the clothing budget allocated to two children of primary and secondary school age is 32.6% higher than that allocated to two children of preschool and primary school age. If an adolescent child is added to the latter family then expenditure on clothes and footwear increase by 86.7% (Table 15). It should be noted that in the MIS methodology, the clothing and footwear needs of children of different ages are discussed separately, on the assumption that the conditions for a decent life must be equally met for everyone in the family. Thus, the budgets presented here do not take into consideration the practices of some families, in which younger children inherit the clothes of their older siblings. In any case, however, the durability attributed to children's clothing and footwear is also insufficient and therefore does not enable garments to be easily passed on from one age group to the next.

Finally, participants in the different focus groups and cities were very consistent in their proposed budgets in relation to leisure time. The resulting fortnightly budget is the highest among the items of MIS (Table 12). This is especially true of the section allocated to going out with family and friends (Table 16). The cost of these activities represents between 32 % and 37% of the entire budget for leisure time, although this varies depending on the family type. The average is 34%, and, in the case of a couple with children aged 3-4 and 5-11 years, it represents 7.3% of the total MIS. Family holidays receive the second highest percentage of the leisure budget (19% on average) and account for 4.2% of MIS. The budget allocated to extra classes and sport practice is higher for single-parent families than for partnered-parent's families. While a couple with two children aged 3-4 and 5-11 years old requires a biweekly budget of MXN 934 for these activities, a single parent with two children of the same age requires MXN 1,427 (Table 16). Single-parent families also require larger budgets for costs associated with birthday parties, Christmas celebrations, and gifts (Table 16).

Table 15
Minimum Income Standard. Clothing and footwear
(MXN of February 2020, by fortnight and family type)

Family Type	Adults			Children			Accessories	TOTAL
	Clothing	Underwear	Footwear	Clothing	Underwear	Footwear		
Couple + 1 child 0-2 yrs	824	250	342	381	64	44	284	2,190
Couple + 2 children 3-4 and 5-11 yrs	824	250	342	859	112	230	388	3,006
Couple + 2 children 5-11 and 12-18 yrs	824	250	342	1,139	255	230	489	3,530
Couple + 3 children 3-4, 5-11 and 12-18 yrs	824	250	342	1,603	255	331	570	4,176
Single parent + 1 child 0-2 yrs	469	179	185	381	64	44	200	1,522
Single parent + 2 children 3-4 and 5-11 yrs	469	179	185	859	112	230	304	2,338
Single parent + 3 children 3-4, 5-11 and 12-18 yrs	469	179	185	1,603	255	331	486	3,508

Note: Each category includes the following items: 1) Clothing: suits, shirts, t-shirts, dresses, skirts, blouses, sweaters, trousers, shorts and winter clothing; 2) Underwear: T-shirts, tights, socks and underpants, bras, leggings; 3) Footwear: Boots, sneakers, formal shoes and sandals. In addition, for boys and girls, clothing and footwear includes a daily school uniform and sports kits for gymnastics as well as appropriate shoes and sneakers.

Table 16
Minimum Income Standard. Leisure time
(MXN of February 2020, by fortnight and type of family)

Family type	Extra classes & sports practice	Toys & other products	Birthday parties	Other celebrations	Christmas celebration & gifts	Outings with family & friends	Family holidays	TOTAL
Couple + 1 child 0-2 yrs	400	155	189	382	144	1,300	925	3,494
Couple + 2 children 3-4 and 5-11 yrs	934	395	411	501	388	1,862	1,068	5,560
Couple + 2 children 5-11 and 12-18 yrs	893	457	585	484	247	2,154	1,130	5,950
Couple + 3 children 3-4, 5-11 and 12-18 yrs	1,181	622	770	587	471	2,475	1,274	7,379
Single parent + 1 child 0-2 yrs	893	94	230	148	226	1,241	719	3,551
Single parent + 2 children 3-4 and 5-11 yrs	1,427	334	452	267	471	1,803	863	5,616
Single parent + 3 children 3-4, 5-11 and 12-18 yrs	1,674	560	811	353	553	2,416	1,068	7,435

CHAPTER IX

THE MINIMUM INCOME STANDARD (MIS) AND OTHER WELFARE MEASURES IN MEXICO

Based on the MIS estimates presented in the previous chapter, in this chapter we estimate the *living wage* (the wage income required by a full-time worker and his or her family to achieve a socially acceptable standard of living), in Mexico's large cities. The living wage is then compared with several other measures that have been used to define minimum income levels in Mexico. We also discuss the implications of MIS for the analysis of well-being in Mexico, in particular regarding equivalence scales and the official basic food basket. Finally, we consider observed consumption patterns and compare them with those that arise from MIS. This allows us to determine how income limits certain household expenditures and thereby prevents families in different income levels from achieving a dignified life.

89

IX.1 THE LIVING WAGE, THE MINIMUM WAGE AND POVERTY LINES

Once MIS is estimated, it is possible to calculate a wage that is deemed sufficient to be considered a living wage. Although there are several definitions of, and measurements for, the living wage (Hirsch and Valadez-Martínez, 2017), here we will specifically draw on information derived from MIS and wider concepts of a dignified life [D'Arcy and Finch (2016), Hirsch and Moore (n.d.)].

The literal translation of living wage as used by the International Labour Organization (ILO) will be applied throughout this chapter. The living wage "is intended to improve the material situation of workers and to ensure them a basic minimum standard of living compatible with human dignity or one that is sufficient to meet the basic needs of

workers". It is also "[...] a salary that allows workers and their families to lead a decent life."¹

In order to transition from MIS to the living wage there are a number of conditions that must be met. These may be established through responses to the following questions: What is the size of the household that the living wage must sustain, or contribute to its sustenance? How many hours are people in this household expected to work? And once this is calculated, how should the living wage be adjusted over time? (Hirsch and Valadez-Martinez 2017). The living wage is not the same for childless partnered-persons who work full-time and for couples with two children where one partner works full-time and the other only part-time. However, in order to facilitate the public discussion on the living wage, we need to arrive to just one measure of it. This can only be achieved through a balance between the requirements of small families with full-time working parents and requirements of larger ones where one of the parents is only working part-time. Different countries have resolved this dilemma in various ways. Some consider the living wage of a childless single person who works full-time as a starting point, and further payments and benefits can be added in the case of families in which the breadwinners are a married couple. In other countries, a standard family's living wage is taken as a reference value. Finally, a third approach is to estimate the weighted average of the living wages of different types of family, where the weights are obtained from the population census (Hirsch and Valadez-Martínez 2017).

90

If, by way of example, the second approach is considered with reference to the most common type of Mexican family (two adults and two children), then, following deductions for social security payments and income tax, the net living wage is equivalent to a MIS of MXN 27,198 in Mexico City, and MXN 25,448 outside of Mexico City, divided by the number of full-time workers in the household.

Based on the calculation formula proposed by Anker and Anker (2017), and on data taken from the National Occupation and Employment Survey for the first quarter of 2020, the number of full-time equivalent workers per household is 1.72 in Mexico City. It may be assumed that this figure is the same for the other large urban areas included in this study. As a result, the (biweekly) living wage per full-time worker is MXN 15,813 in Mexico City and MXN 14,795 for those cities outside of Mexico City (See Table 17, first row).

1. See ILO (1992), International Labour Conference, seventy-ninth session, available on the organization's website.

In section IX.4, for reasons there explained, a restricted version of MIS will be used that excludes budgets for the following: car ownership; outings with family or friends; holidays; celebrations and Christmas gifts. This restricted MIS has a value of MXN 21,791 in Mexico City and MXN 20,041 in remaining big cities studied. This translates into living wages in each geographical area of MXN 12,669 and MXN 11,652, respectively (See Table 17, row 2).

Finally, regarding INEGI's statistics (n.d.), which show that most families are the owners of their home, a living wage may be calculated across all social classes using MIS and without including housing costs. In this case, the MIS of Mexico City and the remaining big cities is MXN 21,712, which translates into a living wage of MXN 12,623 (See Table 17, row 3).

An even more limited MIS is one that does not include budget for any of the following: housing, private vehicle, outings with family or friends, family holidays, celebrations or Christmas gifts. Its value is MXN 16,305 and it is associated with a biweekly living wage per full-time equivalent worker of MXN 9,480 (Table 17, row 4).

If the living wage of a couple with two children 3-4 and 5-11 years old is taken as a reference, how does the living wage compare to the salary income reported in Mexico's employment and income surveys? How much higher is it in relation to the wage needed to keep a family just above the poverty line? It is important to recall that as of February 2020 the aforementioned living wage is MXN 15,813 (after tax) in Mexico City and MXN 14,795 in the other big cities studied.

According to Coneval figures, from February 2020, the biweekly poverty wage was MXN 3,729. While the methodology for calculating poverty is based on expert opinions, it does not consider wider societal opinions on its measurements. As a result, the difference between poverty wages and the living wage reveals a discrepancy between what is required to keep a family just above the poverty line and what constitutes a dignified life in Mexico (Figure 1).

According to INEGI's National Occupation and Employment Survey (ENOE), 50% of the employed male population of Mexico City, Guadalajara and Puebla receive a biweekly payment that is below the poverty line. In Monterrey, the median biweekly income of workers is above that value (Figure 1). As a result of the well-documented phenomenon of under-reporting, these figures underestimate workers' incomes. Regardless of this fact, it is astounding that standards of living in Mexico are, in general, closer to the poverty line than to a dignified life. Using data from the same survey, we find that in Monterrey those who

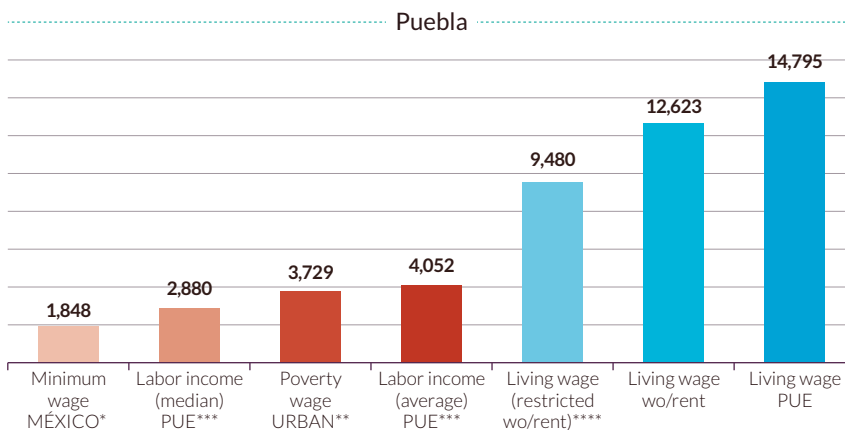
self-identify as employers report, on average, a biweekly income that is much closer to the living wage (MXN 14,104 versus MXN 14,795). In Mexico City, when housing costs are excluded, the figure for this group is also remarkably close to the living wage (Figure 2).

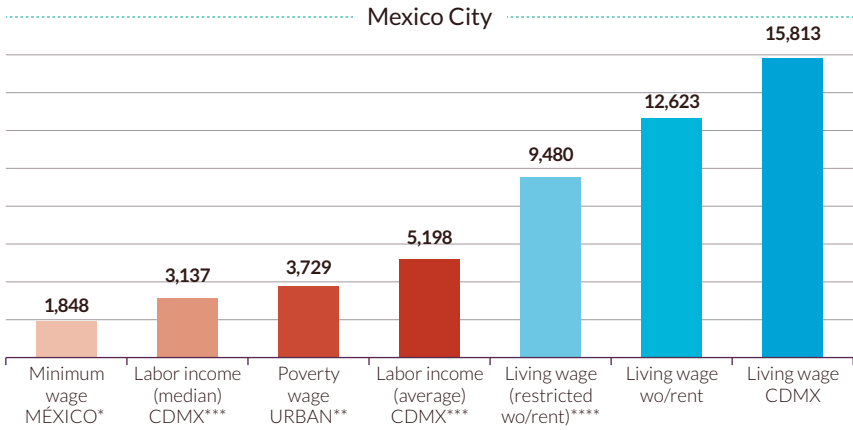
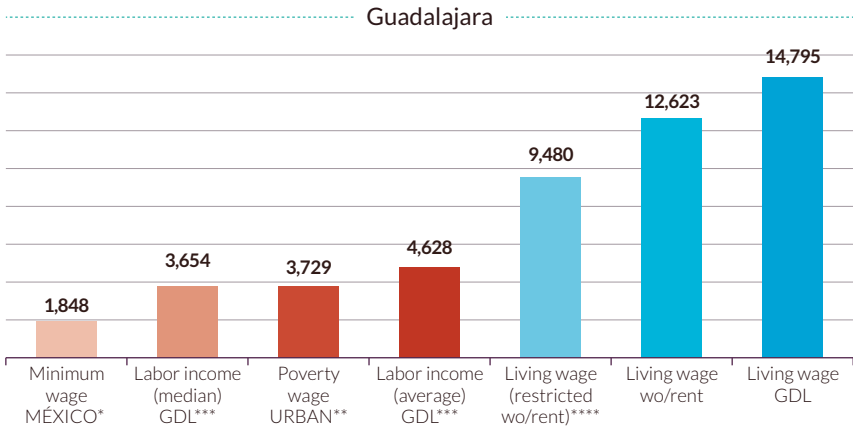
Table 17
Minimum income standard, and net living wage per full-time worker
(MXN of February 2020, biweekly)

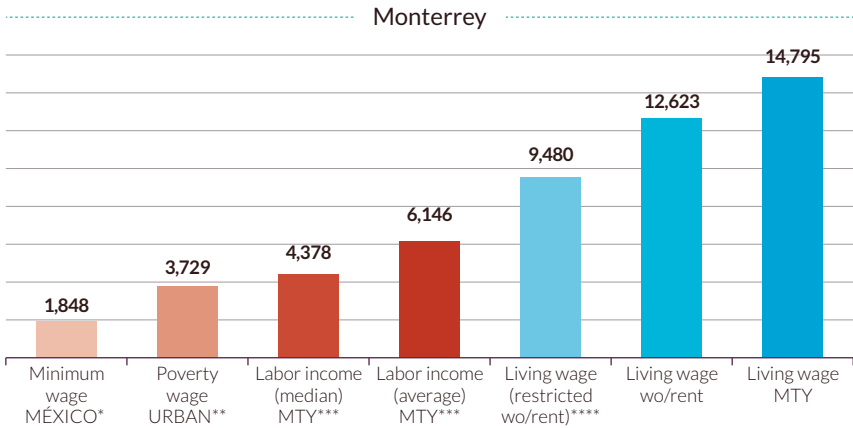
	Mexico City (A)	All other cities (B)	Full-time workers per household (C)	Living wage (Mexico City) (A)/(C)	Living wage (All other cities) (B)/(C)
MIS	\$ 27,198	\$ 25,448		\$ 15,813	\$ 14,795
MIS*/	\$ 21,791	\$ 20,041	1.72	\$ 12,669	\$ 11,652
MIS**/	\$ 21,712	\$ 21,712		\$ 12,623	\$ 12,623
MIS***/	\$ 16,305	\$ 16,305		\$ 9,480	\$ 9,480

Note: */ restricted MIS does not consider vehicles, holidays, outings with family and friends and Christmas celebrations; **/ MIS does not consider housing costs. ***/ MIS excludes all of the aforementioned items.

Figure 1
The living wage compared with various measures of salary income in the working population
(MXN of February 2020, biweekly)



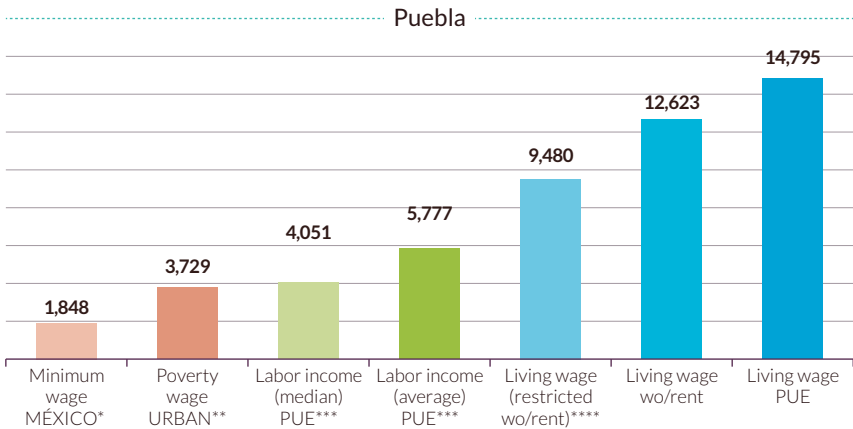




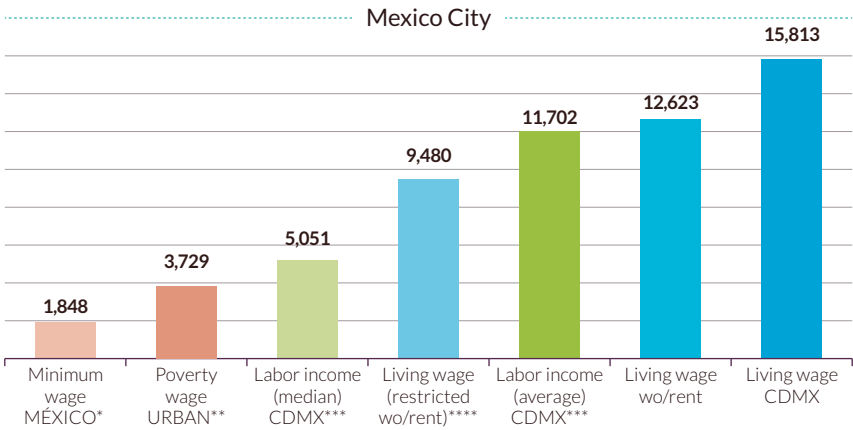
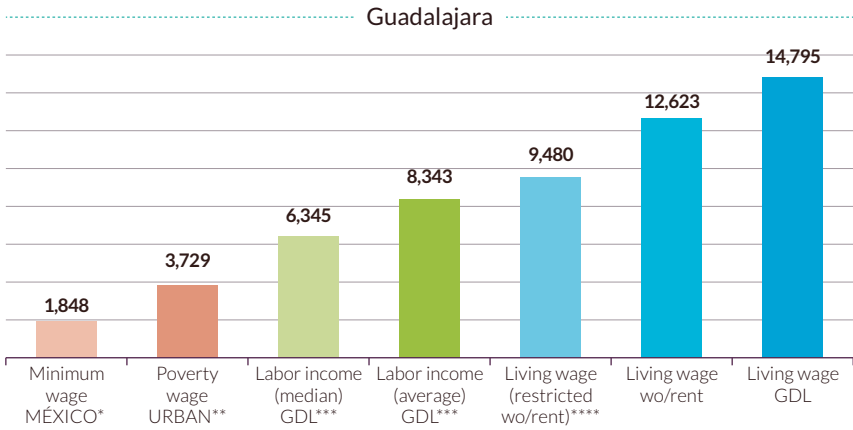
94

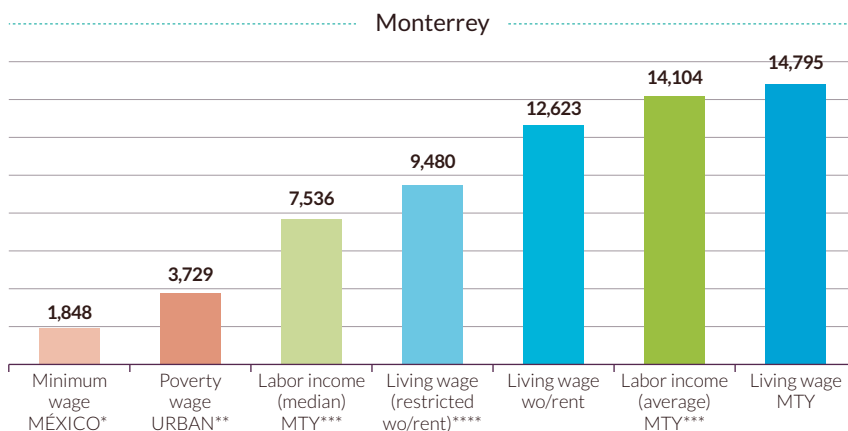
Notes: */ The biweekly minimum wage was calculated at MXN 123.22 daily for 15 days. **/ The urban poverty wage was calculated using the urban income poverty line per person (MXN 3,207.02), which was multiplied by the four members of the family and divided by two in order to obtain its biweekly value. Then, this figure was divided by 1.72 to obtain the equivalent payment per adult. ***/ The median and average salary income was calculated using data from ENOE in the first quarter of 2020. It is based on the median and average hours worked and the hourly payment of the total working population. ****/ Restricted living wage, computed from MIS that does not consider private vehicles, holidays, outings with family and friends, Christmas celebration, and housing costs.

Figure 2
The living wage compared to various measures of employers' labor income
(MXN of February 2020, biweekly)



THE MINIMUM INCOME STANDARD (MIS) AND OTHER WELFARE MEASURES IN MEXICO





Notes: */ The biweekly minimum wage was calculated at MXN 123.22 daily for 15 days. **/ The urban poverty wage was calculated using the urban income poverty line per person (MXN 3,207.02), which was multiplied by four members of the family and divided by two in order to obtain its biweekly value. Finally, it was divided by 1.72 for the equivalent payment per adult. ***/ The median and average salary income was calculated using data from the ENOE in the first quarter of 2020. It is based on the median and average hours worked and the hourly payment of the total working population who self-identify as employers. ****/ Restricted living wage, computed from MIS that does not consider private vehicles, holidays, outings with family and friends, Christmas celebration, and housing costs.

IX.1.1 THE MINIMUM WAGE IN MEXICO

Comparisons between the living wage, urban poverty wages and the minimum wage show the extent to which the latter has lagged behind in Mexico. In light of the MIS methodology and the results for Mexico, in this subsection we reflect briefly on some relevant aspects related to the determination and evolution of the minimum wage in the country.

According to the Federal Labour Act of 1970 (LFT), the minimum wage is determined by the National Minimum Wage Commission (Conasami). As part of its decision-making process, Conasami is integrated into a tripartite system alongside workers' representatives, employers' representatives and the Mexican government. Nonetheless, Alcalde (2015) and Bensusán (2015) have questioned the effectiveness of workers' representation. This commission is assisted by special committees that hold a consultative status and estimate two types of minimum wages: 1) a general minimum wage, and 2) one for professionals of different occupations.

The Mexican Constitution states that the minimum wage must be "enough" to meet the needs of a head of household, but it does not de-

fine the mechanisms to determine that which is deemed “enough” (Garavito 2013). In principle, this is the role of Conasami, which suggests a minimum wage in accordance with the general economic outlook of the country, the living costs for families, labor market conditions, wage structures and any major factor related to a variety of economic activities (CES-CDMX 2015).

According to article 562 of the LFT, the Technical Director of Conasami should propose the value of the minimum wage, based on research and studies that determine an essential budget to satisfy the following needs. First, those of a ‘material’ nature, such as goods and services related the household, furniture, food, clothing and transport. Second, social and cultural activities, such as going to concerts, sporting events, adult education, access to libraries and other cultural centers. And third, those related to children’s education. However, up to 2015, the Technical Director of Conasami only used data related to annual inflation to estimate increases to the minimum wage for the period in question.

97

According to Moreno-Brid et al. (2014), the evolution of the real minimum wage in Mexico has experienced three major phases. The first dates from 1950 to the second half of the 1970s. During this time, the minimum wage had an upward trend, and its real value was multiplied by four. The second phase began sometime between 1981 and 1982 with the balance-of-payments crisis, the collapse of international oil markets and the sovereign debt crisis. These problems, coupled with rising consumer prices, led to a drop in the minimum wage. A policy was implemented in which the minimum wage was suppressed as a way to curb inflation. From 1996, a third phase began and lasted until 2014. During this time, the real minimum wage continued to fall but much less acutely, and, as a result, it maintained some stability. Conasami’s decision to only increase wages according to projected levels of inflation also helped to maintain stability at a low level. Thus, although by the end of the 1980s the economy had improved and towards 2001 inflation had stabilized, Conasami continued to adjust any increases to the minimum wage below inflation level. Estimates of the variation in the purchasing power of the minimum wage between 1976 and 2015 yield a loss of 70% (CES-CDMX 2015).

In 2014, Mexico City’s government promoted research and discussion on the possibility of reaching a national agreement to increase the minimum wage. Political consensus was reached, and a single national minimum wage was established. More importantly, the indexation of tariffs, fines and other fees based on changes to the minimum wage

was eliminated, and this reform made it possible to discuss an increase in the minimum wage without worrying that this decision might cause inflation.

From 2015 onwards, it has been possible to talk of a fourth phase. In this phase, the recovery of the real wage and the purchasing power of employees is evident. It is also a recovery that has continued in recent years: the minimum wage has increased from MXN 88.36 per day (2018) to MXN 102.68 (2019), and then to MXN 123.22 (2020).

However, as shown in the previous section, in Mexico, the minimum wage is still too low. At present, it is no greater than the minimum wage required to keep a worker and their family just above the poverty threshold, and it is far from a wage considered to be either sufficient or dignified. It is also imperative that the minimum wage should continue its recovery so that it can better reflect the spirit of the Constitution and labour laws. To this end, better representation of employers and workers must be ensured in any future discussions held at Conasami. Furthermore, the technical management of Conasami must strive to estimate budgets that are sufficient both for workers and their families. These must be realistic in relation to the needs of families according to the criteria for a dignified life. In this regard, the results of the application of the MIS methodology to Mexico, as presented in this document, should be considered by Conasami as a parameter with which to estimate dignified household goods baskets for families.

98

IX.2 EQUIVALENCE SCALES

Minimum Income Standard is a collection of budgets that allows families with different demographic composition to achieve the same level of well-being. By comparing MIS of different types of families, it is possible to calculate how much more must be added to the family budget with the arrival of a new member so that a family can maintain the same level of well-being as before.

These calculations relate to equivalence scales used by economists and other social researchers for the study of poverty and taxation. In the case of Mexico, Teruel et al. (2005) estimated adult-equivalent scales for the population under 18 years of age using two different methodologies. They found that “[...] the cost of a child 0 to 5 years of age ranges from .64 to .77 of the cost of an adult; that of a child aged 6 to 12 from .69 to .81; and the cost of an older child between 13 and 18 years of age ranges from .62 to .76. By applying these numbers to

poverty estimates, differences in poverty levels of up to 13 percentage points are obtained.”

The literature related to equivalence scales is vast and although several methods have been proposed for the purpose of estimation, these all are limited in their own ways. The aim of this section is to show how MIS can be used to calculate equivalence scales for Mexico. The advantage of the MIS methodology is that we have a series of budgets for different types of families, but they all achieve the same level of well-being. Following Hirsch et al. (2020), calculations were made first by looking at the cost of a couple in relation to the cost of a single parent; and second by incorporating the cost of an additional child as a percentage of the cost of an additional adult.

In the first case, budgets for partnered parents and single parents with children were analyzed and estimates were made regarding the differences between them. These were then compared with the budget of a single person without children (but excluding housing). Calculations were as followed: $[MIS (\text{Single} +1 \text{ age } 0-2) - MIS (\text{Couple} +1 \text{ age } 0-2)] / MIS (\text{Single, no children})$, which resulted in -0.25. This implied a cost ratio between a couple and a single parent of 1.5. This value was equal to that found in France, the United Kingdom and Ireland (1.5), but lower than that found in Portugal, where it is 1.7 (Hirsch et al. 2020).

In the case of the additional cost of a child, first, the budgets of a couple with two children and that of a couple without children (excluding housing) were analyzed. Then, we computed: $[MIS (\text{Couple} +2 \text{ ages } 3-4 \text{ and } 5-11) - MIS (\text{Couple, without children})] / 2$. This resulted in the average cost of an additional child. Secondly, the following subtraction was performed: $[MIS (\text{Couple, No Children}) - MIS (\text{Single, No Children})]$, which resulted in the cost of an additional adult. From the comparison of both results, we found that the cost of an additional child was 133% of the cost of an additional adult. It is important to highlight that this value is much higher than that found in Ireland and the United Kingdom (48% and 52%, respectively), and higher than both Portugal (75%) and France (85%) (Hirsch et al. 2020). Hirsch et al suggest that higher values related to the cost of children in one society relative to another can emerge for a number of reasons, including entertainment and social participation. This is clearly true in the case of Mexico: when we exclude from MIS the budget for leisure time, the cost of an additional child as a percentage of an additional adult is 80%; a value similar to that of Portugal and France.

IX.3 OFFICIAL HOUSEHOLD GOODS AND SERVICES BASKETS AND MIS BASKETS

Discussions on minimum standards of living and social policy in Mexico have been guided by estimates related to official household goods and services baskets. In general, these have been created following observed patterns of spending among the population, and based on the recommendations and expert opinion of academics, researchers and international institutions such as the UN, WHO and ECLAC. This approach contrasts with the MIS method, which limits the intervention of experts and prioritizes public opinion in relation to that which is considered a minimum standard. In the remainder of this section the current official methodology will be reviewed. The differences between the official method and the MIS method will be discussed, and finally, the most important implications of these differences will be considered.

100

The National Council for the Evaluation of Social Development Policy (Coneval) use household goods and services baskets to obtain income poverty lines and to establish which populations are in poverty or suffering from extreme income poverty. The methodology used is an adaptation of a pre-existing methodology created by the Economic Commission for Latin America and the Caribbean (ECLAC 2007a). In the case of the baskets pertaining to non-food items, the expansion method is combined with the Engel coefficient method and the methodology proposed by Hernández Laos et al. in 2009.

The key for estimating the food basket is the identification of the “reference population stratum” (EPR) and its average consumption. For this purpose, the calories consumed by households are calculated using the National Household Income and Expenditure Survey (ENIGH). For each household, an energy adequacy coefficient (CA) is estimated. The criterion for the selection of the EPR is that the CA should be on average equal to 1, as this indicates that the energy consumption of a household is enough. With the EPR thus defined, consumption patterns are adjusted to include foods that are most frequently consumed. The purpose of this adjustment is that these foods represent most of the expenditure within the reference stratum and that they comply with the nutritional recommendations provided by the Mexican official standard (Coneval 2012). Through the application of the aforementioned criteria a list of foods that make up the basket and the amount of daily consumption is established. The final step is to calculate the monetary value of the basket, which is obtained by multiplying food quantities by the implicit

prices obtained from information issued by ENIGH. These prices are then updated using the Consumer Price Index (INPC).

The creation of the household non-food goods basket consists of three stages. In the first stage, the *EPR* of the non-food basket is set equal to the *EPR* of the food basket, which ensures that households meet their minimum nutritional needs. The second stage uses a methodology proposed by Hernández Laos et al. (2009), which determines the goods and services to be included among non-food expenditure items. There are three criteria used by Coneval:

1. The good or service included must have an income elasticity less than one, (that is, necessary goods).
2. That the share of the good or service in the total household expenditure is greater than the average for all goods and services.
3. That the percentage of households consuming such good and service should be higher than the average obtained when considering all goods and services.

101

Finally, the value of the non-food basket and the minimum income for purchasing both baskets is determined. To compute the former, the value of the food basket is multiplied by the reciprocal of the Engel coefficient—that is, the proportion of food expenditure to total expenditure in the *EPR*.

The shares of goods and services in the cost of Coneval baskets, reflects, then, the pattern of food consumption of a specific social group, as well as the total expenditure of this group in relation to goods and services. However, these patterns and the composition of goods and services are then adjusted in order to obtain, with the same budget, both a healthy diet and those goods and services that are qualitatively different from those used by the reference group.

On the other hand, the baskets obtained through the *MIS* methodology include food, goods and services in quantities and qualities that are consistent with both the definition of minimum welfare and their relative importance within and across groups of good and services. The reason for this is that, instead of starting from a maximum level of expenditure and accommodating an average consumption pattern within it, in the *MIS* we first define the minimum needs and only then we establish how much income is enough to satisfy them. In this way, *MIS* baskets contain goods and services that realistically meet the needs of society and that allow them to attain a socially acceptable standard of living (Valadez-Martínez et al. 2017).

Updates to MIS baskets emerge from a consensus-building process, which is why they reflect new needs, whereas updates to expert-defined baskets are derived from changes in consumption patterns, the data about which takes longer to emerge. These changes reflect the absolute and relative evolution of income and only the consumption and expenditure that is possible to make. Instead, the MIS basket model has greater flexibility and currency. For example, in the United Kingdom, the MIS for retired couples now includes a budget for a computer and internet access. The citizens of this age-group that were consulted argued that internet access is necessary for individuals' personal development and helps them to form part of society (Davis et al. 2014, quoted by Valadez-Martínez et al. 2017, p. 700).

102

IX.4 EXPENDITURE PATTERNS, DIGNIFIED LIVING AND SOCIAL CLASSES

One of the objectives of the MIS research in Mexico, as well as the research that has been carried out in the United Kingdom and in other countries, is to identify which goods and services are necessary for living a dignified life. In our estimate of MIS, we have included the goods and services which the Mexican society has considered necessary to achieve that level of well-being. Actually, many households do not have enough income to achieve this dignified standard of living. The standard, as defined by MIS, can now be compared with actual spending patterns.

According to an exploratory study by INEGI (n.d.) with data from the 2010 National Survey of Household Income and Expenditure (ENIGH), consumption activities such as eating-out with family or friends, attending cultural or recreational events, family holidays using tourist packages, or owning a car, define the "middle class", in Mexico. And they are even more conspicuous among households of the "upper class". They are not found among those population groups classified as "low class". According to our estimate of MIS, in Mexico a dignified life includes access to recreation and leisure, which translates into opportunities to go out with family or friends to eat, to participate in recreational events and to go on family holidays.

This study by INEGI (n.d.) reports that in 2010 42.4% of households (or 39.2% of individuals) were identified as middle class.² Consumption behaviors and activities—which according to INEGI are already visible amongst the middle class—related mainly to leisure activity and car ownership, represent on average and for all the types of families considered, 21% of MIS (around MXN 5,335) (Table 12). Thus, according to MIS, a couple with two children 3-4 and 5-11 years of age living in any large city beside Mexico City, and with a biweekly net household income of MXN 20,041, would need to renounce to the consumption of the aforementioned goods and services— if the consumption of other goods and services of MIS were to remain unchanged (Table 18). This, in the view of the groups consulted, would place the family below a socially acceptable standard of living. Discussions such as this one reveal why goods and services related to leisure, as well car ownership, should be considered part of a dignified life. Thus, conceptually one should distinguish between “belonging to the middle class” and “having a dignified life”, to which all Mexicans should be granted access.

103

Comparisons between the composition of expenditure in MIS and population expenditure patterns observed at different income levels provide additional information on differences between that which society considers “what ought to be” in relation to a decent life, and current standards of living. These are influenced by income levels and distribution, as well as by the quantity and quality of public goods and services in any given place and time. The analysis below shows that households actually spend too much on certain items and not enough on others, in comparison with what emerges from focus group discussions.

The analysis of the data from ENIGH (2018) reveals that, in general, Mexican households spend on education, transport and food a greater proportion of their total expenditure than the percentage that MIS stipulates based on social consensus (Figure 3-a). In the average household and in decile 10, education accounts for 9.2% and 11.6%, respectively, of household expenditure, compared with 5.7% in decile 3—a similar level of spending on education in MIS. The proportion of spending allocated to transport is similar in both MIS and in decile 3 households (11% and 11.2%), but much higher in average households and decile 10, where it reaches 15.7% and 17%, respectively. All households, except

2. This figure coincides with the one estimated by López-Calva and Ortiz-Juárez (2011): 42% in 2008; a household is considered middle class if it has a sufficiently low probability of falling into poverty.

those in decile 10, allocate a higher percentage of expenditure to food than that which the groups considered to be socially acceptable; for example, while for the average household this percentage is 23.9%, in MIS the figure is 14.8%.

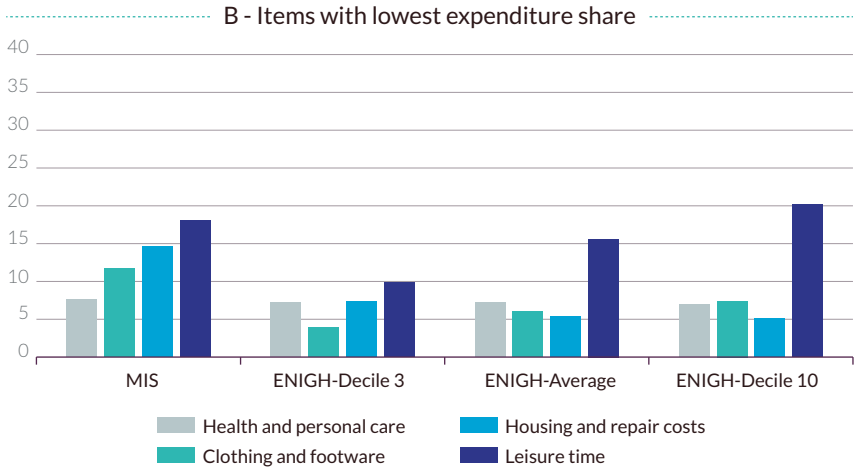
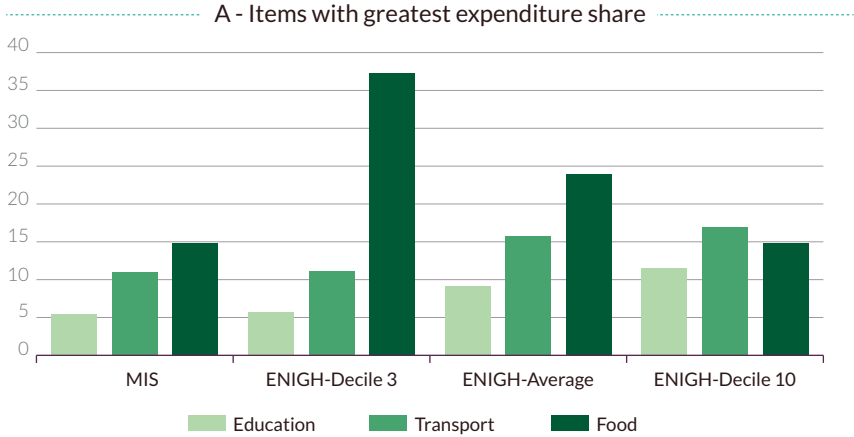
In addition, households generally allocate a lower proportion of their expenditure to health and personal care, clothing and footwear, housing, and leisure time than that established in MIS (Figure 3-b). In the case of the first three items, the share of household expenditure is substantially lower than that in MIS. Households in decile 3 allocate 4.1% of expenditure to clothing and footwear, while the figure is 11.8% in MIS. In the average household and in those of decile 10, housing and house maintenance account for 5.5% of expenditure, while these costs represent 14.7% in MIS. Finally, and excluding decile 10 households, in Mexico households allocate a budget for leisure activity (including entertainment and social participation) that is a smaller proportion of total expenditure than that which members of the consulted public considered necessary for a dignified life: 15.8% in the average household and 10.1% in households of decile 3, against 18.2% in MIS.— Note that households in decile 10 allocate a higher proportion than that of MIS to free time and leisure activities (20.3%).

Table 18
Minimum Income Standard in Mexico's large cities (with restricted leisure time and transportation)
(MXN of February 2020, biweekly and according to family type)

Family type	Household goods & services	Transport/ without car	Personal goods & services	Clothing & footwear	Food	Educa-tion	Free Time/ without outings holidays or Christmas celebra-tions	Rent and Maintenance /Other cities	Total with rent/ Other cities	Rent & maintenance/ Mexico City	Total with rent Mexico City
Couple + 1 child 0-2 yrs	3,643	395	1,977	2,190	3,038	1,220	1,126	3,737	17,325	5,487	19,075
Couple + 2 children 3-4 and 5-11 yrs	4,051	719	2,013	3,006	3,771	503	2,241	3,737	20,041	5,487	21,791
Couple + 2 children 5-11 and 12-18 yrs	4,291	947	2,718	3,530	4,246	608	2,419	3,737	22,496	5,487	24,246
Couple + 3 children 3-4, 5-11 and 12-18 yrs	4,704	1,147	2,841	4,176	4,941	774	3,159	3,737	25,480	5,487	27,230
Single parent + 1 child 0-2 yrs	3,319	259	1,555	1,522	1,730	1,220	1,365	3,835	14,804	5,585	16,554
Single parent + 2 children 3-4 and 5-11 yrs	3,728	583	1,591	2,338	2,686	503	2,480	3,835	17,744	5,585	19,494
Single parent + 3 children 3-4, 5-11 and 12-18 yrs	4,381	1,011	2,419	3,508	3,670	774	3,398	3,835	22,996	5,585	24,746

Figure 3
Expenditure by category, using MIS and ENIGH by decile of household income (%)

106



Source: Tables 12-17 and ENIGH (2018).

Notes: In order to compare items in MIS and ENIGH, the following adjustments have been made. Education expenditure in MIS includes the cost of extracurricular and sporting activities for children outside of school. Transport expenditure in ENIGH includes public transport, transport to foreign destinations and the acquisition and maintenance of vehicles. Food expenditure in ENIGH does not include meals outside of the home; this was included in costs related to leisure, along with holidays and gifts. Clothing and footwear include, in addition to specific items, personal accessories and other expenses.

CHAPTER X

FINAL CONSIDERATIONS AND THE PROSPECTS FOR LIVING WAGES IN MEXICO

This report presents the goods and services that households need in order to achieve a decent standard of living in Mexico, according to members of the public. It also presents a budget estimate that is needed for that standard of living in Mexico City, Puebla, Guadalajara and Monterrey. This Minimum Income Standard (MIS) was calculated in accordance with the consensus of public opinion and, to a very lesser extent, based on the opinions of experts on the subject. MIS is the income that is considered sufficient for different types of families.

107

The representatives of the public consulted have a direct experience in this matter: their own needs for goods and services and those of their families. Thus, and always consensually, they concluded that: **“A dignified life in Mexico today requires meeting basic needs, such as food, housing, and clothing, as well as having the opportunity to work, access to health and education services, and also leisure time. It is also about being communicated and informed, living in a stable and safe environment, and being part of society.”**

We found that, as of February 2020, partnered parents with two children aged 3-4 and 5-11 years would need \$27,198 per fortnight in Mexico City (\$25,448 in other major cities of the country). In the case of single parents, these figures are \$24,718 and \$22,968, respectively. These budgets are what families require so that all their members can have a socially acceptable standard of living.

This standard of living includes the rent of a house with proper structural and material conditions, with three bedrooms, living room, kitchen, 1½ bathrooms, and either a play space for children or for laundry. Members of the public agreed that the family in the case study has a second-hand car for going to work, taking children to school, etc., but also use public transport. The children of this family go to a public school in the area where they live and participate in activities outside

the school that contribute to the development of their abilities (extra-curricular classes or sports activities). The family in the case study has social security coverage equivalent to that provided by IMSS or ISSSTE, and an additional budget to pay for some healthcare services that are privately-provided. In addition, the family has household goods and services that allow the family members to enjoy their home, fulfill their work and study duties, and also socialize. Household members have enough to fulfill their personal care, clothing, footwear, and dietary needs (including some meals outside the home). The family members participate in leisure activities with friends and family and can go on vacation for eight days a year.

108 If it is assumed that the entire income of the couple and their two children comes from the parents' work, and that the number of full-time equivalent workers in the household is that of Mexico City's (1.72), the fortnightly salary per full-time worker needed to achieve this standard of living is \$15,813 (net, after taxes) as of February 2020. The figure is \$14,795 outside Mexico City.

According to the National Council for the Evaluation of Social Development Policy (CONEVAL), on that same month, the biweekly wage just above the poverty line was \$3,729. While the official methodology for calculating poverty is entirely based on expert opinions, and does not consider society's opinion in its measurement, the difference between this poverty wage and the living wage indicates the gap in welfare that exists between living barely above the poverty level and living a dignified life in Mexico. According to the National Occupation and Employment Survey (ENOE,) of the National Statistics and Geography Institute (INEGI), 50% of the employed male population in Mexico City, Guadalajara and Puebla receive a biweekly payment below the poverty line. In Monterrey, median biweekly labor income is above that value. Although these figures underestimate people's income (due to the well-known phenomenon of underreporting) it is surprising that standards of living in Mexico are, in general, closer to poverty than to a dignified life. In Monterrey, and with the data from the same survey, we found that, those who consider themselves employers report, on average, a fortnightly labor income very close to the living wage (\$14,104 versus \$14,795). In Mexico City, the figure for this group is very close to the living wage, not including housing expenses.

Knowing how much is enough and the social consensus on what it means to live a dignified life in Mexico allows us not only to assess current living conditions, but also to promote public and private actions

properly aimed at raising the well-being of Mexican families and their children's opportunities for social mobility.

Based on the definition of a dignified life, public policies can be used to strengthen the quantity and quality of public services, thereby significantly reducing the private costs currently incurred by families in meeting their needs. This would result in a lower MIS and, therefore, greater chances that labor incomes be closer to living wages. In focus group discussions, the costs to be incurred by a family regarding health, education and transport were in part associated with public provision issues. A universal health system, with effective access and fair funding, would allow the health costs incurred by families to be significantly reduced. Similarly, with quality public education, the need for children to take additional classes or play sports outside school would be reduced. As for transport, the focus groups decided, as mentioned, that it was necessary to own a car in order to have a dignified life in Mexico's major cities because public transport is insufficient, inefficient, and not safe. In addition, the groups highlighted the importance of living in homes with adequate standards and access to services, in areas with public parks and safe communication routes, which clearly has implications for urban planning, infrastructure and mobility, as well as for construction policies and housing credit.

109

Since 2015, representatives of Mexican companies and workers have sought to raise the purchasing power of the minimum wage. The living wage derived from MIS allows these interested parties, as well as the National Minimum Wages Commission (Conasami), to assess the road ahead. As shown in this work, the minimum wage is well below the poverty wage and, consequently, is even further away from the living wage. The MIS methodology also allows those seeking to establish a dignified basic food and services basket for the country to compare the realism of the one presented herein—which is derived from the opinions of public citizens—with the results obtained from methods in which the opinion of experts prevails.

Companies and other civil society organizations that employ workers and which, for various reasons, have decided and are able to pay a living wage in Mexico, can consider the MIS as the best possible standard. Establishing the gradual increase of salaries as an objective for people to reach a dignified life would undoubtedly lead these companies and organizations to discard the current paradigm. The growing monopolistic or oligopolistic power of enterprises within markets, both in labor and goods and services, allows them to generate extraordinary gains derived from low wages, especially among less educated workers.

On the other hand, pursuing decent wages, such as those defined in this work, would enable them to contribute to reducing income inequality, thereby creating a more cohesive and productive society with greater opportunities for social mobility. This will result in greater well-being for all members of society in the long run.

There are various international awards and certifications for transnational corporations that commit themselves to paying living wages. Those operating in Mexico could consider the dollar value of the living wage presented herein. At the FIX exchange rate of the Bank of Mexico on July 6, 2020 (22.3 pesos per dollar), the biweekly living wage is USD 709.00 in Mexico City and USD 663.00 in the rest of the big cities. This translates into net hourly wages of USD 8.86 and USD 8.29, respectively. These living wages, which, as mentioned, constitute an objective to which companies could commit, are lower than those that the Mexico-US-Canada Trade Agreement (T-MEC) sets for some production lines (USD 16.00 per hour). The latter is in line with the estimated living wage for some of the major cities in these countries (USD 16.95 in New York, according to NYC Consumer Affairs as of April 1, 2020, and USD 14.4 in Vancouver, according to the Canadian Centre for Policy Alternatives in 2019).

110

Research for this project was completed just before the start of the COVID-19 pandemic in Mexico. Therefore, what goods and services, and how much income is needed to achieve a dignified life reflects, mainly, the situation at that time. Note, however, that the needs of families and the cost of decent living may change in the future, as this depends on the evolution of social consensus regarding what is considered acceptable as a minimum. The advantage of MIS is precisely that it can identify and measure these changes in great detail and consistently over time. Future updates to this study will not only allow to estimate the evolution of the living wage, but also to know the underlying and fundamental reasons behind that change.

REFERENCES

- Alcalde Luisa (2015). El salario mínimo en un entorno de contradicciones. In Mancera, Miguel Ángel, Coordinador, *Del salario mínimo al salario digno*, México, Consejo Económico y Social de la Ciudad de México and Cal y Arena.
- Bensusán Graciela (2015), «Los mecanismos de fijación del salario mínimos en México en una perspectiva comparativa: el marco institucional y los interlocutores sociales», in Mancera Miguel Ángel, Coordinador, *Del salario mínimo al salario digno*, México, Consejo Económico y Social de la Ciudad de México and Cal y Arena.
- Economic Commission for Latin America and the Caribbean (ECLAC) (2007). Construcción de la Canasta Básica de Alimentos (CBA) y la línea de indigencia, Taller de Expertos: Revisión de la metodología de la CEPAL para Santiago de Chile: CEPAL.
- Consejo Económico y Social de la Ciudad de México (CES-CDMX) (2015). *Del salario mínimo al salario digno*. Mancera Miguel Ángel, Coordinador. México City: Cal y Arena.
- Consejo Nacional de Evaluación de la Política de Desarrollo Social (Coneval) (2012). *Construcción de la Líneas de Bienestar*. Documento metodológico. México City: Coneval.
- Davis, A., Hirsch, D., & Padley, M. (2014). *A Minimum Income Standard for the UK in 2014*. York: JRF.
- Davis, A., Hirsch, D., Padley, M., & Marshall, L. (2015). *How Much is Enough? Reaching Social Consensus on Minimum Household*. Loughborough: CRSP.
- D'Arcy C. y D. Finch (2016). *Calculating a Living Wage for London and the Rest of the UK*. London: Resolution Foundation.
- Garavito Rosa Albina (2013) *Recuperar el salario real: un objetivo impostergable ¿Cómo lograrlo?*, Serie Análisis, Fundación Friedrich Ebert Stiftung, Núm. 9, México.
- Hernández Laos, E., et al. (2009). *Análisis y estimaciones de patrones y canastas regionales de consumo*. Corrected final draft. Mimeo.
- Hill, K., Shepherd, C. and Hirsch, D. (2018) *Experiences of Living with Visual Impairment: Matching Income with Needs*. Loughborough: Centre for Research in Social Policy.
- Hirsch, D. and R. Moore (s/ f). *The Living Wage in the United Kingdom. Building on Success*. CRSP. University of Loughborough. Retrieved July 3, 2020 <http://citizensuk.org/wp-content/uploads/2011/06/The-Living-Wage-in-the-United-Kingdom-May-2011.pdf>

- Hirsch Donald y Laura Valadez-Martínez (2017). *The Living Wage*. Agenda Publishing.
- INEGI (s/f), *Cuantificando la clase media en México: un ejercicio exploratorio*; retrieved July 3, 2020, <https://www.inegi.org.mx/investigacion/cmmedia/default.html>
- Kauffer, M; Pérez-Lizaur, AB; Arroyo, P. *Nutriología Médica*. Ed. Médica Panamericana. México, 2015
- López-Calva, L.F. and E. Ortiz-Juárez (2011). *A Vulnerability Approach to the Definition of Middle Class*. The World Bank: Policy Research Working Paper 5902.
- Moreno-Brid J. C., S. Garry and L.A. Monroy-Gómez-Franco (2014). *El Salario Mínimo en México*. *Economía UNAM*. vol.11 (33): 78-93.
- Padley, M., & Hirsch, D. (2017). *A Minimum Income Standard in the UK in 2017*. York: JRF.
- Padley, M. and Shepherd, C. (2019) *Developing Retirement Living Standards*. London: The Pensions and Lifetime Savings Association.
- 112 Real Academia Española. (2014). *Diccionario de la lengua española (22.a ed.)*. Retrieved from <https://dle.rae.es/>
- Teruel, G., L. Rubalcava and A. Santana (2005). *Escalas de equivalencia para México*. Serie: Documentos de Investigación 23. Sedesol.
- Townsend, P. (1979). *Poverty in the United Kingdom*. London: Allen Lane and Penguin Books.
- Valadez-Martínez, L., Padley, M., & Torres Peganos, M. F. (2017). *Dignified Standard of Living in Mexico: Results of a Pilot Study of the Minimum Income Standard approach*. *Social Indicators Research*, 140(2), 695-714.