

## IV

# Labor and Incomes of Household Members in Metropolitan Mexico

*Brígida García* \*

*Orlandina de Oliveira* \*\*

## INTRODUCTION

**M**exico has experienced increasing economic and labor problems during the immediate past decades. For most families it has become increasingly harder to make a decent living out from the income of a single provider. Around the mid-eighties, 59% of all male-led and 46% of those headed by a woman relied on a single provider. A decade later these figures had decreased to 48% and 36% respectively (data from Income and Expenditure Surveys —ENIGH). In recent years, wives, daughters and other female relatives have significantly increased their presence in the Mexican labor market, though it is still the Mexican males (heads of family, sons and other male relatives) the main performers of extradomestic activities for which they receive an income. The need to complement the family income has played an important role in increasing women's economic participation, as well as other aspects, such as increasing women's schooling years and decreasing fertility in Mexico.<sup>1</sup>

Thus, the work carried out by family members is experiencing transformations of different natures and intensities throughout the national territory. This chapter deals with two important metropolitan areas: Mexico City and Monterrey. Such comparison is interesting since those cities are located in regions with different socioeconomic and demographic dynamics and include economic groups that have reacted to the new capital accumulation strategy in somewhat different ways. Towards the end of the 1990's, 41% of the gross value of Mexican production was generated in these two metropolitan areas which then concentrated 21% of the Mexican population (Sobrinó, in print). We are interested in reporting the problems of both labor markets, while pointing to the differences observed amid the economic participation of the household members and the remuneration levels. These latter aspects are crucial to understand the links between the labor sphere and the family in periods with marked socioeconomic changes. We will initially sketch the main differences and similarities in population, economy and labor markets in these two urban areas. Then we will examine the prevailing labor heterogeneity in each of these metropolitan cities with special concern on the relative presence of family members (heads of family, spouses, sons and daughters and other relatives) in the different sectors of waged and self-employed workers. Finally we will focus on income levels and those factors associated with the different remuneration levels, like a way of delving more deeply into the current working conditions in large Mexican cities.

## ECONOMIC PRODUCTION AND LABOR MARKETS IN MEXICO CITY AND MONTERREY: CONTRASTS AND SIMILARITIES

Mexico City, Guadalajara and Monterrey have traditionally been the main centers around which national economic activity and population concentrate. The capital city and Monterrey particularly differ from each other in terms of the nature of their productive structure, their response to recurrent

---

\* Professor-Researcher at the Center for Demographic Studies and Urban Development (Centro de Estudios Demográficos y de Desarrollo Urbano / CEDDU) at El Colegio de México. E-mail: bgarcia@colmex.mx

\*\* Professor-Researcher at the Center for Sociological Studies (Centro de Estudios Sociológicos / CES) at El Colegio de México. E-mail: odeolive@colmex.mx

<sup>1</sup> For a recent analysis of changes in the division of labor within the Mexican family, see García and Oliveira, 2001.

economic crises, their role in the trade liberalization and restructuring processes, and labor force characteristics.<sup>2</sup>

Mexico City has a highly diversified industrial and service structure and concentrates both the federal and the capital city's public administration. With 17.9 million habitants at the turn of the year 2000, around 18% of the Mexican population still resides in this metropolitan area which generates 33% of the gross value of the domestic production (29% correspond to industry, 36% to trade and 45% to services) (Garza, 2000; Sobrino, in print).

During the crisis-ridden 1980's, Mexico City was affected in a definite and severe way: its contribution to the national GDP as well as the value of its production and industrial employment significantly contracted. Consequently, industrial activity, which so far had been the main motor of growth, gave way to services, specifically financial and social services. Although manufactured production in Mexico City is still very important, it was the dynamism of the service sector that undoubtedly allowed a partial recovery of the Mexico City economy during the nineties (Sobrino, 2000).

Meanwhile, Monterrey - with just 3.2 million inhabitants in the year 2000 - presents a productive structure specialized in manufacturing with an important presence of the capital goods industry where 8% of the gross value of the Mexican production is produced. This in turn, accounts for 9% of the national industrial production, 7% of the national trade and 8% of the services (Sobrino, in print). This metropolitan city faced the consequences of the eighties' crisis with success: although its participation in the national product decreased up to the early nineties, manufacturing activity continued to hold a relevant weight in its productive structure and the large companies also maintained an important presence in the city (Garza, 1999).

With regard to the processes of economic restructuring and integration into the world economy, the Monterrey business groups have assumed a particularly active role and have known how to make the best use of their comparative advantages in order to reach higher competitiveness in international markets. This was achieved largely through strategic alliances with U.S. companies and transnational corporations, through technological modernization, the incorporation of different flexible techniques in production and administration, capturing foreign capital and greater access to global markets. These changes have to a certain extent curbed the initial negative impact of trade liberalization upon this urban area (Garza, 1999; Pozas, 1992 and 1999).

As it is the case for the rest of the country, the economic transformations of the last two decades in these two cities have been paired with an important increase in the participation of both men and women in labor. Data from the National Urban Employment Survey (Encuesta Nacional de Empleo Urbano / ENEU) for the year 2000 reveals that the presence of adult women in the labor market reached 42% and 40% in Mexico City and Monterrey, respectively.<sup>3</sup> The economic participation of both male and female youth reaches much lower levels, but it is quite different in both cities: as measured for the year 2000, 18.7% of the males and 8% of females aged between 12 and 17 participated in the labor sphere of Mexico City, while the same figures for Monterrey are 24.7% and 12.9% respectively. This implies that the capital has a greater relative presence of youth exclusively devoted to middle level education (ENEU, 2000).

Data regarding the entry of labor force into the different sectors of economic activity during the nineties show remarkable differences and similarities among these two cities (table IV.1.). In the first place, the labor force in the secondary sector has gradually continued losing relative importance in Mexico City, whereas its significance has increased in Monterrey.<sup>4</sup> Such accentuation of Monterrey's industrial vocation features a marked enlargement of women's entry into industrial activity, though men are still a majority (ENEU data not presented in the tables).

---

<sup>2</sup> Earlier analyses of the economy and the labor markets in these two cities can be found in: Balán, Browning and Jelin, 1977; Muñoz, Oliveira and Stern, 1981; Pozas, 1992 and 1999, Pacheco, 1994; Gonzáles de la Rocha, 1995; Oliveira and García, 1996; Pozos, 1996; Estrella and Zenteno, 1998; Garza, 1999 and 2000; Gutiérrez Garza, 1999; Garza and Sobrino, 2000; Zeteno, 2002.

<sup>3</sup> The participation rate of young men aged 18 or more in the year 2000 was 85.0 and 87.5 in Mexico City and Monterrey, respectively (ENEU, 2000).

<sup>4</sup> Studies regarding the first half of the nineties indicated a relative reduction of the industrial labor force in both cities (see Zenteno, 2002).

**Table IV.1. Mexico City and Monterrey: Distribution of the Occupied Population According to Major Economic Activities**

Branch of Activity	Mexico City		Monterrey	
	1990	2000	1990	2000
<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
Primary	1.4	0.5	0.6	0.2
Secondary	27.9	26.8	35.6	37.6
Distribution Services (Trade and Transport)	26.3	28.2	26.6	26.6
Producer Services	6.9	8.7	6.3	7.3
Social Services	17.7	16.3	14.6	11.1
Personal Services	19.8	20.4	16.3	17.1

SOURCE: National Urban Employment Survey, second quarter, 2000, Instituto Nacional de Estadística, Geografía e Informática (INEGI).

It follows that the tertiary sector did relatively incorporate more labor force in Mexico City. Nevertheless, it is still a majority sector within both labor markets. It is interesting to observe that within this sector: 1) the **distribution services** (trade, transport and communications) have expanded the most in Mexico City, due to the proliferation of large capitalist companies in these activities as well as to the enlargement of the small trade and service units which, in turn, must be understood as part and parcel of the population's survival strategies; 2) **social services** (including public administration) lost ground in both cities, but more acutely in Monterrey, which suggests a more intensive restructuring process of these activities; 3) Though an strategic economic and political set of activities, **producer services** (banks and other financial institutions, as well as company services) absorb but a slight proportion of the labor force and have just slowly expanded in both cities, surely owing to technological changes and financial restructuring in every single corner of the country.

#### LABOR HETEROGENEITY AND POSITION IN THE FAMILY KINSHIP STRUCTURE

The observed changes among the different major economic activities took place amid an increasingly heterogeneous productive and labor context. Labor heterogeneity is differently put in present analyses of Mexican labor markets and those related to other non-developed countries (which consider, for instance, the existence of marginalized and non-marginalized, informal and formal, structured and non-structured sectors). Likewise, once a position is adopted, say about the informal sector, it is common that it should be defined differently, depending on what is sought to be emphasized whether it is forms of production (large companies, microbusinesses, self-employment) or job characteristics (income level, the existence of social security and a bargaining agreement, among others).

In countries such as Mexico, the medium-sized and large capitalist companies have increasingly engross (in Mexico at least since the 1970's) an important part of the available labor force, this, however, not altogether exclusively. But along the later decades such companies lost market dynamism, a fact considered as a most relevant indicator of the problems faced by as the import substitution model exhausted, subsequent crises arose and the search for alternative growth strategies began. In recent years, following differentiated ways throughout the national territory, it is the small establishments and the self-employed sectors that have absorbed or sheltered workers in larger numbers turning into a problem to which specialists have granted wide attention. It is upon this path of reflection and analysis that we firstly define *labor heterogeneity* as the coexistence of public and private waged workers and non-waged workers in large and small industrial, trade and service establishments (table IV.2.); and, secondly, we will carry out a complementary and qualitative analysis of the available jobs that will encompass the different types of production and service units (see the next section).

**Table IV.2.** *Mexico City and Monterrey: Labor Heterogeneity<sup>a</sup> within the Employed Population, 2000*  
(Percentages)

	<i>Mexico City</i>	<i>Monterrey</i>
Waged Workers	<b>69.5</b>	<b>75.5</b>
Public Workers	16.5	8.6
Large Private Establishments	38.3	55.8
Small Private Establishments	14.7	11.1
Less Qualified Self-Employed Workers	<b>21.2</b>	<b>15.7</b>
Employers and Qualified Workers	<b>6.0</b>	<b>6.0</b>
Self-Employed Professionals	96.7	97.2 <sup>b</sup>
Total	(7 150 422)	(1 345 276)

<sup>a</sup> Position at work and work place or establishment characteristics (whether public or private and size).

<sup>b</sup> The percentages do not add up to 100 because the workers with no remuneration were not included since they are a minority in this metropolitan context.

SOURCE: National Urban Employment Survey, second quarter, 2000, Instituto Nacional de Estadística, Geografía e Informática (INEGI).

It fits to note the importance of waged workers and the self-employed in both Mexico City and Monterrey labor markets, as well as the presence of male and female workers of different generations, which might be rooted in supply and demand factors. We know that some kinds of companies or establishments prefer specific sociodemographic characteristics within their laborers (sex, age, whether or not they have family responsibilities, etc.), so that but it is also true that these characteristics sometimes condition the kind of participation in labor that is pertinent and desirable for each worker.

Most of the workers in Mexico City and Monterrey are private-waged workers. The most recent data however corroborate the fact that Monterrey waged workers are importantly gathered around medium-sized and large companies (with six or more workers, see table IV.2). Undoubtedly, this is due to the fact that Monterrey is a large-scale industrial center and to the dynamism experienced by its manufacturing companies through their restructuring and while joining the international market. Compared to this, Mexico City's waged workers do not hold equal importance, that is, *in relative terms*. But we must stress that it is a still highly relevant source of labor demand in terms of the absolute number of workers it covers and the magnitude of its economic production. The fact is that industry in the capital city did not continue to absorb labor force at the pace it used to in earlier decades (see Muñoz and Oliveira, 1976; García and Oliveira, 2001a).

As expected, public waged workers hold great importance in Mexico City, being the seat of the federal government and of the local government of a large urban concentration (table IV.2.). It is nevertheless a group of workers which relatively waned throughout the nineties (also see García and Oliveira, 2001a). This reveals the diminishing trend of the Mexican State's role in the economy and, consequently, the labor market, all of which is a major priority within the new capital accumulation strategies implemented nationally and internationally.

At last, but not remotely least, the less qualified self-employed workers along with waged workers employed by microbusinesses (of five or fewer workers) are jointly the most important group in Mexico City (table IV.2.). Thus, a considerable part of the labor force in the capital city is self-employed in unqualified work or resort to a microbusiness strategy as a means of surviving, as a way out of the contraction of the public sector, as part of the productive restructuring of large and medium-sized companies or as a response to the current deteriorated wage levels. This piece of information corroborates the trend pointed out by research carried out prior to the 1990's, where the less privileged workers (non-waged informal workers) already observed both a relative and absolute importance in Mexico City (see García, 1988; Sill Salazar, 1999; García and Oliveira, 2001a; Zenteno, 2002). The wider dimension of labor issues at the national levels is worth deeper consideration and analysis.

So how is the family labor force represented in these different classifications? To what extent are the male and female heads of family present? What about the younger generations of sons and daughters?

We will first consider the case of private- waged workers (in both large and small establishments). For the two cities, the representation of sons and daughters is more than proportional to their presence in the labor market either in small or large establishments (and the opposite happens with male heads of family, see table IV.3).<sup>5</sup> It is thus confirmed that these are privileged spaces for the relatively younger labor force. This could be doubly understood. As validation of the assumption that is the young who are usually be more willing to experiment and innovate, a feature which can be crucial for small and large companies subject to the pressure of global competition and flexibilization. Or rather, as evidence that it is the younger among the labor force which are more vulnerable to being exploited so that they are more willing to accept worse conditions of work, all the more if they do not hold family responsibilities.

In this context, we should mention what happens with waged workers in very small companies (microbusinesses) where it can be said that there is so very little or no capital accumulation at all. In this group, apart from the sons and daughters (and even spouses in Monterrey) other relatives play an important role, further from that which they palyed in large establishments. All this may be pointing to income generation strategies based on both the nuclear and the extended family.

**Table IV.3.** Mexico City and Monterrey: Relative Importance<sup>a</sup> of Family Labor Force in Different Sectors of Waged and Self-Employed Workers (2000)  
(Percentages)

City and Position in Kinship Structure	Waged Workers			Less Qualified Self-Employed Workers	Employers and Qualified Self-Employed Workers
	Public Workers	Private Workers in Large Establishments	Private Workers in Small Establishments		
<b>Mexico City</b>					
Heads of family	1.03	0.94	0.84	1.21	1.47
Spouces	1.45	0.72	0.84	1.03	0.79
Children	0.73	1.26	1.28	0.64	0.38
Other	0.85	1.03	1.32	0.92	0.64
<b>Monterrey</b>					
Heads of family	1.11	0.93	0.66	1.29	1.73
Spouces	2.20	0.64	1.24	1.31	0.65
Children	0.53	1.19	1.25	0.54	0.34
Other	0.36	1.19	1.44	0.73	0.19

<sup>a</sup> Figures higher than one indicate over representation. Figures lower than one reveal the opposite. Relative importance is measured in relation to the weight each group has in the labor market: in Mexico City, 49% are heads of family, 15% are spouces, 28% are children and 8% are other relatives; in Monterrey, 45% are bosses, 13% are spouces, 32% are children, and 9% are other relatives.

SOURCE: ENEU (National Urban Employment Survey) 2000, INEGI.

With regard to the public sector, our data reveals that spouses hold the most important presence not only in Mexico City, but particularly in Monterrey (table IV.3.). It is very likely that both male and female spouses (mostly female spouses, however) are more highly represented because they have chosen to take advantage of their health benefits, the existence of work contracts, paid vacations, as well as in some cases, time flexibility in order to see to the needs of their sons and daughters (the situation of the female teachers would be a most interesting example to take into

<sup>5</sup> ENEU data not shown in the tables indicate that *daughters* are more highly represented in the larger establishments, and the opposite happens with *sons*, who have a greater relative presence in microbusinesses.

account). These are invaluable resources, above all in the case of women who have to combine socially allocated domestic responsibilities with extradomestic work. That is why, although so far public employment in Mexico has been protected from very different perspectives, we must be fully aware of its tendency to decrease.

Reflecting along these lines, particularly about the overrepresentation of spouses among public waged workers in Monterrey, it is likely that the material and symbolic barriers women face in order to be able to perform an economic activity operate more effectively in a city like Monterrey, often characterized as conservative in social and political terms, and this might lead them to choose the scarce public jobs through which they can get indispensable benefits.<sup>6</sup>

Finally, it is interesting comment upon what happens with self-employed workers (both poorly and highly qualified workers) as well as the employers (table IV.3.). Heads of family are more than proportionally represented, and this is certainly what would be expected in the case of the self-employed professional workers and the employers, since they are often relatively more privileged groups, either in terms of schooling and/or income. It is more likely that this situation will be reached in an advanced stage of the course of life, once family responsibilities have been acquired. It is surprising to see the relative importance of the heads of family among unqualified self-employed workers, a forbidden among the other categories. It could nevertheless be the case that they chose this option due to wage deterioration and the conditions of work existing in Mexico (in the following section we shall explore this group's income levels in greater detail). In any case, this result is an important indicator of the narrowness of the waged labor market (of both cities) to respond to their needs as a social group. In spite of this we must not forget that self-employed workers make up quite a large contingent.

#### WORKERS' INCOME LEVELS

What are the consequences of this marked labor heterogeneity upon the working conditions for the different types of workers, be it heads of family, spouses, sons/daughters? Who has benefited or been harmed by the transformations of the labor markets in Mexico City and Monterrey?

Several concepts are generally used to characterize working conditions. Some authors refer to a *precarious employment*, while some use the terms *non-standard* or *atypical employment* to refer to temporary part-time labor activities without benefits or work with extremely low incomes. Others would rather refer to the *quality of employment* in order to allow situations of higher or lower labor deterioration.<sup>7</sup> The indicators used in each of these cases can vary (depending on income, length of the working day, the existence of benefits and contracts, characteristics of the labor-post, among others), but remuneration levels are almost always part of the different efforts to account for the conditions of work and permit us to offer an initial vision of what is going on in Mexico City and Monterrey. Its advantage over other measures is that it allows for comparisons between waged and non-waged workers. We must however be aware that the remunerations self-employed workers report may on occasions be overestimated since they might not only derive from the worker's activity but from the activity of his/her unremunerated relatives as well.

Mexican workers have suffered a considerable drop in their relative income levels since the 1980's, due to the recurrent economic crises and the wage control policies that were enforced. In the 1990's, the deeper of hollows in labor force incomes were observed during the 1995 shock, though around the end of the decade levels had surmounted the the lowest point, without yet gaining enough importance to be able to equal the levels at the beginning of the decade.<sup>8</sup>

---

<sup>6</sup> Another figure supporting this conjecture is the over representation of spouses in Monterrey among the less qualified self-employed workers (in comparison with spouses in Mexico City). This type of economic activity might facilitate the carrying out of both domestic and extradomestic work. And finally, the opposite also occurs: a greater under representation of spouses in Monterrey in large and medium-sized companies, the kind of productive unit where the separation between family and work is more firmly established (see table IV.3.).

<sup>7</sup> See Marshall, 1987; Infante and Vega-Centeno, 1999.

<sup>8</sup> This was happening both in the case of the main urban areas, and in the three main cities: Mexico City, Guadalajara and Monterrey (see García and Oliveira, 2001a and 2002, as well as Rendón and Salas, 2000).

Data on hourly income for Mexico City and Monterrey (ENEU, 2000) show how structural changes and wage contraction policies have affected the workers in various ways, and how significant differences between the labor force persist as differences in sectoral insertion (that is, the type of major economic activity, be it primary, industrial or services) and working conditions endure, such as those between waged workers and self-employed workers. Three aspects stand out from the more general data (not shown in the tables). First, incomes per hour are systematically lower in Mexico City, for both the total labor force and the different categories of workers (13 pesos per hour for the whole of Mexico City compared to 15 pesos in Monterrey).<sup>9</sup> Second, the best paid workers are those who work in social and producer services (20-24 pesos per hour for Mexico City and Monterrey respectively), whereas the less privileged workers are located in personal services and trade (11 and 14 pesos, in Mexico City and Monterrey, respectively). Third, with regard to the working conditions of either waged or self-employed workers, not surprisingly it is the employers and the professional self-employed workers who earn the highest incomes, while the worst paid laborers are those employed as waged workers in microbusinesses (27 and 43 pesos in the waged sector compared to 9 and 12 pesos for the self-employed group, for Mexico City and Monterrey, respectively).

Of course these differences may be partly due to the labor force's sociodemographic characteristics, such as schooling levels, age, whether they are male or female and the place they hold in the kinship structure. We think lineal regression analysis can identify the factors underlying unequal incomes, and can help to understand how macro-structural and institutional changes influence the workers' living conditions. There are several advantages in using lineal regressions to delve more deeply into income differences. It makes it possible to detect the variations in the remunerations in agreement with each of their characteristics, taking the effect of the others into account as well as demonstrating which of the involved factors mostly explain income differences.

In graph IV.1 we present the main results of the regression, which shows the relative importance each variable has (also see the table in the annex).<sup>10</sup>

Of all the weighted aspects, the *schooling level* is without doubt the most important. This result, common in different contexts, shows that in the country's main metropolitan areas, as in many other national and international labor markets, attaining a higher schooling level increases the possibilities for receiving a relatively higher income. *Age* is also associated with the frequency of their remunerations, i.e., the older the worker the higher the income, as has already been documented in other situations (see García and Oliveira, 2002).

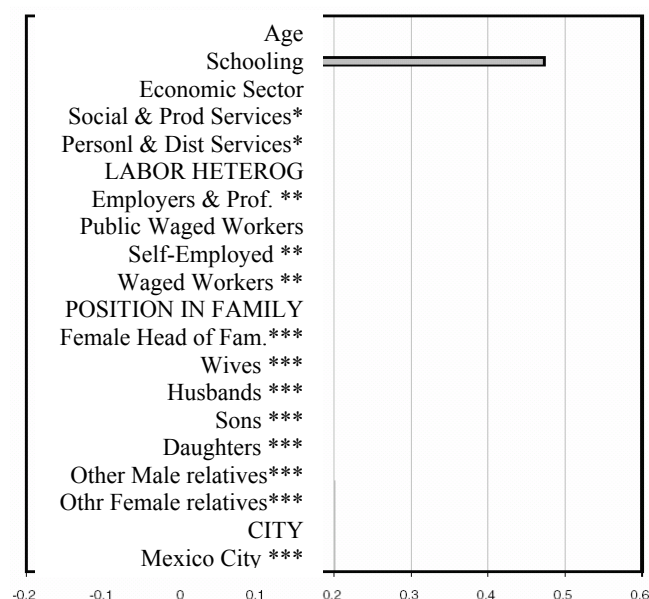
Another relevant result is that we confirmed that income inequalities derived from the workers' *sectoral* insertion are maintained (or even made clearer) when age, schooling level and other considered characteristics are statistically taken into account. When compared to the workers of the secondary sector, those occupied in social services and in production are better paid, whereas the workers in distribution and personal services earn lower incomes. What do these results mean in relation to the quality of the available jobs in the country's largest cities? Taking up some of the tendencies of sectoral change in the indicators we plotted here, it is the standardized Beta coefficients that were significant in the lineal regression. The logarithm of hourly income is the dependent variable.

---

<sup>9</sup> These indicators refer to the median income per hour. In the second quarter of the year 2000, the exchange rate of the Mexican peso in relation to the U. S. dollar was 9.5 pesos per dollar.

<sup>10</sup> For the readers who are not acquainted with this type of technique, it is convenient to clarify that the larger the coefficient, the greater the importance of the characteristic in question, and vice versa. Likewise, we must take into account that when the coefficients are positive, it means that the characteristic in question is associated with higher income levels; the opposite occurs in the case of the negative coefficients.

**Graph IV.1. Mexico City and Monterrey: Income Differences according to Selected Characteristics (2000)<sup>a</sup>**



- \* Compared to the secondary sector.
- \*\* Compared to waged workers in large establishments
- \*\*\* Compared to male bosses
- \*\*\*\* Compared to Monterrey

Statistical analysis allows us to believe that the income level gap accruing between waged and self-employed workers is not exclusively owed to sociodemographic factors or the sectoral insertion of the labor force, or to the different dynamics of the metropolitan areas. In fact, the labor force's *labor heterogeneity* is *itself* pertinent to explain income differences among workers. This heterogeneity – the existence of waged labor force employed either in public or private establishments of different size vis a vis the meager subsistence of self-employed workers – evinces the different forms in which commodities and services production is organized.

The magnitude and signs (positive or negative) of the regression coefficients (graph IV.1.) show that when we use private waged workers in larger companies as a comparison group the following aspects emerge:

1. Among the waged workers, it is the public workers – whose numbers, as we argued, have been gradually and considerable reduced as a result of the neoliberal policies – who enjoy higher income levels. Indeed, this has occasionally employed as a justification for the economic adjustment policies oriented to reducing the public sector size. In contrast, the workers operating in small production units and service providers earn very low wages that might eventually be lower than the wages of non-professional self-employed workers.
2. The incomes of the unqualified self-employed workers are clearly lower than those of the private waged workers in large establishments. This situation differs with what happened at the onset of the 1990's when wage control in Mexico was so accentuated that some kinds of self-employed work had greater advantages as a source of income than waged work.<sup>11</sup> These alternatives nevertheless seem to have reached their limit as the the XXI century dawns.
3. Employers (from large and small establishments), professional self-employed workers, and minority sectors earn wages well above what the waged workers earn in the larger companies. They evidently are the best paid of the whole labor force.

<sup>11</sup> See Pacheco, 1994; Rendón and Salas, 2000; García and Oliveira, 2002.

We insist: income differences between the different groups of waged and non-waged workers are not only due to sociodemographic characteristics of the labor force (as explained by human capital theory). The heterogeneity of the organization forms the productive processes adopted, and, possibly the different degrees of organization the workers have in each of these sectors (in spite of not having this kind of information), play a relevant role as well.

Besides the aforementioned aspects, this work is particularly interested in the income disparities among workers according to their different *positions in the family kinship structure*. Much has been written on the primary labor force as composed by male heads of family who socially withhold the responsibility to sustain their families; so that the remunerations of the secondary labor force comprised by women and youth are seen as supplementary to the family budget (see Pries, 2000, for example). This differentiation has sometimes been used to justify the lower wages paid to those who do not take on the role of the family's main provider. It is also extremely interesting to compare the incomes of males and females of different generations in the two metropolitan areas. As pictured in graph IV.1, in relation to the *male heads of family*, the other members of the household have lower incomes. At a first glance, this supports the proposed differentiation between male heads of family as *primary* labor force and the rest as *secondary* labor force. However, a closer look reveals a much underestimated detail: the magnitude of the differences between the various household members is shorter in the case of female heads of family and wives, whereas it takes on a more significant magnitude in the case of the sons and particularly in the case of the daughters.

Our attention was drawn to the daughters' situation since they presently experience the lowest income levels in comparison to the male heads of family; i.e., they earn less per worked hour under equal conditions regarding age, schooling, place of residence and insertion into labor. Their case evidences how gender inequalities are intertwined with generational inequalities: they are the worst off in the labor market, which is anyway increasingly more precarious for all workers. Earlier studies on the urban labor market in Mexico also detected disparities between men and women that cannot be attributed to variations in sociodemographic or economic characteristics; these differences were identified as practices that discriminate against women (see Parker, 1996; Oliveira, Ariza and Eternod, 1996; García and Oliveira, 2002). Our results allow us to add further that – though they are nevertheless manifest among female heads of family, wives and other relatives – these discriminatory practices are much clearer in the daughters' case. Likewise, generational differences are also strong in the case of men when sons are compared to male heads of family.

Overtly, income differences between the country's two main metropolitan areas persist even after taking into account the labor force's sociodemographic characteristics; sectoral heterogeneity and the different composition of waged and self-employed workers (as shown by the negative sign of the coefficient for Mexico City, graph IV.1.). This result holds great importance in the Mexican context as everything indicates that greater capital flow along with the technological and administrative modernization reached in Monterrey have contributed not only to increase economic dynamism, but also to achieve higher relative income levels for their workers.

#### SYNTHESIS AND FINAL CONSIDERATIONS

Throughout the 1990's, the different dimensions of the Mexican labor market presented significant dissimilarities throughout the national territory. With regard to the major cities, Mexico City and Monterrey are growingly differentiated by some key aspects, such as a greater industrial presence in Monterrey, accompanied by a greater relative amount of medium-sized and large companies. Although the large capitalist companies and service sectors have expanded in Mexico City, microbusinesses keep growing and self-employment still persists. As opposed to earlier aspects, a shared trend is the drop in public employment, a distinctive feature of the adjustment policies and the reduction of the Mexican State.

Our analysis of the location of the family members within the different waged and self-employed groups in both cities revealed a major representation of *young children of both sexes* in medium-sized and large companies. This is a significant piece of information for the workers' struggle to maintain their rights since workers without family responsibilities can be more vulnerable to yielding to pressures to flexibilize their conditions of work. *Wives* are more highly represented in

the public sector, a type of employment that might offer them some relative advantages for the joint performance of their domestic and extradomestic tasks, which unfortunately does not appear to be systematically shrinking. Lastly, the greater relative presence of *male heads of family* among unqualified self-employed workers is a significant indicator of the problems faced in the labor market in Mexico, whether it is interpreted as a search for alternatives for higher incomes or better conditions of work, or it is considered a symptom of the lack of opportunities.

An analysis of income levels in both cities noted additional aspects that differentiate the workers. It should be emphasized that along the 1990's remunerations in these cities, as occurs in the whole of the country, suffered dips and surges but at the end of the nineties they had not yet recovered the levels reached in other historical moments. In this context of relative income deterioration, this chapter shows who was affected the most; a result that must be taken into account in the development of policies that seek greater equity in the country's labor market. It initially confirmed the more expected findings that younger workers with lower schooling working in personal and distributional services (trade and transport) receive the worst relative remunerations. We estimated the amount by which the waged workers in microbusinesses are at a disadvantage vis-à-vis the other sectors. It is a relevant result since it occurred under equal conditions as far as age, schooling and many other aspects are concerned, and it demonstrates that income differences are not only due to a different allocation of human capital.

In addition, special consideration should be paid to the differences between males and females of different generations that were observed. It should be noted that it is the sons, and especially the daughters who receive the lowest income levels under equal sociodemographic and economic conditions. It is thus clear that the younger labor force but mostly family daughters play an essential role within the accumulation model based to a large extent on low wages as a strong incentive to draw foreign investment in general, particularly toward the maquiladora industry.

Lastly, considering the different characteristics that have been mentioned, workers earn lower remunerations in Mexico City than in Monterrey. We should also note Mexico City's relative disadvantage in terms of the income level, the loss of dynamism of its industrial sector and its lower relative presence of waged workers. These results point to the territorial impact of the new social and economic policies and we hope it should be considered a relevant input for regional planning and the achievement of a more equitable distribution of national resources.

**Annex.** Mexico City and Monterrey: Regression Coefficients of the Logarithm of Hourly Income according to Selected Variables (2000)

Significant Variables <sup>a</sup>	<i>b</i> Coefficients
	Standardized
Age	0.131
Schooling	0.473
Economic Sector	
Social and Production Services *	0.031
Personal and Distribution Services **	-0.047
Labor Heterogeneity	
Employers and Self-Employed Professionals **	0.123
Public Waged Workers **	0.047
Self-Employed Workers **	-0.025
Waged Workers in Small Establishments **	-0.095
Family Position	
Female Heads of Household ***	-0.021
Wives ***	-0.017
Husbands ***	-0.028
Sons ***	-0.084
Daughters ***	-0.104
Other male relatives ***	-0.029
Other female relatives ***	-0.037
City	
Mexico City ****	-0.088
R <sup>2</sup> adjusted	0.372

\* Compared to the Agricultural Sector

\*\* Compared to Waged Workers in Large Establishments

\*\*\* Compared to Male Heads of Family

\*\*\*\* Compared to Monterrey

<sup>a</sup> Significant with a 99% confidence interval.

Source: National Urban Employment Survey, second quarter 2000, Instituto Nacional de Estadística, Geografía e Informática (INEGI).

REFERENCES

- Balán, Jorge, Harley Browning and Elizabeth Jelín (1977), *El hombre en una sociedad en desarrollo*, Mexico, Fondo de Cultura Económica.
- Boltvinik, Julio and Enrique Hernández Laos (1999), *Pobreza y distribución del ingreso en México*, Siglo XXI.
- Cortés, Fernando (2000), *La distribución del ingreso en México en épocas de estabilización y reforma económica*, México, CIESAS-Miguel Ángel Porrúa.
- Estrella, Gabriel and René Zenteno (1998), "Dinámica de la integración de la mujer a los mercados laborales urbanos de México; 1988-1994", in *Mercados locales de trabajo. Participación femenina, relaciones de género y bienestar familiar*, Asociación Mexicana de Población (AMEP) y Consejo Nacional de Ciencia y Tecnología (CONACYT), Mexico.
- García, Brígida (1988), *Desarrollo económico y absorción de la fuerza de trabajo en México (1950-1980)*, Mexico, El Colegio de Mexico.
- \_\_\_\_\_ and Orlandina de Oliveira (2001), "Cambios socioeconómicos y división del trabajo en las familias mexicanas", *Investigación Económica*, vol. 61, No. 236, April-June, pp.137-162.
- \_\_\_\_\_ (2001a), "Transformaciones recientes en los mercados de trabajo metropolitanos de México: 1990-1998", *Revista de Estudios Sociológicos*

(CES), El Colegio de México, vol. 19, No. 57, September - December, Mexico, pp. 653-689.

\_\_\_\_\_ (2002), "Heterogeneidad laboral y calidad de los empleos en las principales áreas urbanas de México", *Revista Latinoamericana de Estudios del Trabajo*, No. 1.

Garza, Gustavo (1999), "Monterrey en el contexto de la globalización Económica en México", in Esthela Gutiérrez Garza (coord.) *La globalización en Nuevo León*, Mexico, Universidad Autónoma de Nuevo León, Ediciones El Caballito, pp.19-50.

\_\_\_\_\_ and Jaime Sobrino (2000), "Distribución intrametropolitana de la industria, el comercio y los servicios", in Gustavo Garza (coord.), *La ciudad de México en el fin del segundo milenio*, Mexico, El Colegio de México, pp. 185-194.

González de la Rocha, Mercedes (1995), "Reestructuración social en dos ciudades metropolitanas: un análisis de grupos domésticos en Guadalajara y Monterrey", *Estudios Sociológicos*, vol. 13, No. 38, May-August, pp. 261-281.

Gutiérrez Garza, Esthela (1999), "Luz y sombras de la industria maquiladora en Nuevo León", in Esthela Gutiérrez Garza (coord.) *La globalización en Nuevo León*, Mexico, Universidad Autónoma de Nuevo León, Ediciones El Caballito, pp. 155-194.

Infante, Ricardo and Máximo Vega-Centeno (1999), "La calidad del empleo: lecciones y tareas", in Ricardo Infante (editor), *La calidad del empleo: la experiencia de los países latinoamericanos y de los Estados Unidos*, Santiago de Chile, Organización Internacional del Trabajo (OIT), pp. 9-52.

Marshall, Adriana (1987), *Non-Standard Employment Practices in Latin America*, Switzerland, International Institute for Labour Studies.

Muñoz, Humberto and O. de Oliveira (1976), "Migración, oportunidades de empleo y diferenciales de ingreso en la ciudad de México", in *Revista Mexicana de Sociología*, año xxxviii, No. 1, pp. 51-84.

\_\_\_\_\_, Orlandina de Oliveira and Claudio Stern (1981), *Migración y desigualdad social en la ciudad de México*, Mexico, Instituto de Investigaciones Sociales de la UNAM and El Colegio de México.

Oliveira, Orlandina and Brígida García (1996), "Cambios recientes en la fuerza de trabajo industrial mexicana", *Estudios Demográficos y Urbanos*, vol. 11, No. 2, May-August, pp. 229-262.

Oliveira, Orlandina, Marina Ariza and Marcela Eternod (1996), "Trabajo e inequidad de género", in *La condición femenina: una propuesta de indicadores. Informe final*, Mexico, Sociedad Mexicana de Demografía (Somede) and Consejo Nacional de Población (Conapo).

Pacheco Gómez Muñoz, María Edith (1994), *Heterogeneidad laboral en la ciudad de México a fines de los ochenta*, Dissertation for a Ph.D. in Social Sciences specializing in Population Studies, Mexico, Centro de Estudios Demográficos y de Desarrollo Urbano (CEDDU), El Colegio de México.

Parker, Susan (1999), "Niveles salariales de hombres y mujeres: diferencias por ocupación en las áreas urbanas de México", in Beatriz Figueroa (coord.), *Mexico, diverso y desigual: enfoques sociodemográficos*, Mexico, El Colegio de México/Somede, pp. 373-390.

Pozas, Ma. de los Ángeles (1999), "Estrategias de globalización y encadenamientos productivos: el caso de Monterrey", in Esthela Gutiérrez Garza (coord.), *La globalización en Nuevo León*, Mexico, Universidad Autónoma de Nuevo León, Ediciones El Caballito, pp. 51-114.

\_\_\_\_\_ (1992), *Reestructuración industrial en Monterrey*, Mexico, The Friedrich Ebert Foundation.

Pozos Ponce, Fernando (1996), *Metrópolis en reestructuración: Guadalajara y Monterrey 1980-1989*, Mexico, Universidad de Guadalajara.

Pries, Ludger (2000), "Teoría sociológica del mercado de trabajo", in Enrique de la Garza Toledo (coord.), *Tratado latinoamericano de sociología*

- del trabajo*, Mexico, El Colegio de Mexico, FLACSO, UNAM, FCE, pp. 511-539.
- Rendón, Teresa and Carlos Salas (2000), "La evolución del empleo", in Arturo Alcalde *et al.*, *Trabajo y trabajadores en el México contemporáneo*, Mexico, Miguel Ángel Porrúa, pp. 25-91.
- Sill Salazar, Lorena (1999), *Crecimiento y heterogeneidad del sector informal en México en el periodo 1988-1997*, Dissertation for an M.A. in Demography, Centro de Estudios Demográficos y de Desarrollo Urbano de El Colegio de México.
- Sobrino, Jaime (in print), *La competitividad de las ciudades en México*, Mexico, El Colegio de México.
- Sobrino, Jaime (2000), "Participación económica en el siglo xx", in Gustavo Garza (coordinator), *La ciudad de México en el fin del segundo milenio*, Mexico, El Colegio de México, pp. 162-169.
- Zenteno Quintero, René (2002), "Tendencias y perspectivas en los mercados de trabajo local en México: ¿Más de lo mismo?", in Brígida García (coord.), *Población y sociedad al inicio del siglo XXI*, Mexico, El Colegio de México.