

## Science and Technology

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Mexico has a significant and growing research capability. The National Autonomous University of Mexico (UNAM) plays a key role in the country's scientific research. It accounts for approximately half of all research conducted within Mexico between 1988 and 1991. Other important centres are: the Centre for Research and Advanced Studies of the National Polytechnical Institute, the Colegio de México, the Centre for Economic Research and Education, the Colegio de la Frontera Norte, the Centre for Research on Food and Development, the Colegio de Michoacan, and the Institute of Astrophysics, Optics and Electronics, and the Tecnológico de Monterrey.

In order to promote research in science and the humanities, to encourage technological development, and to stem the so-

called brain drain through emigration of Mexican scientists to other countries, the government of Mexico has placed strong emphasis on the National System for Researchers (SNI). This program provides economic incentives that are distributed according to the academic merit of the scientists and the nature of the research.

The number of researchers in the program has grown from 2,653 in 1988 to 3,520 in 1990. Further growth to 4,500 was projected for 1991 which would amount to a 70-percent increase over four years. The number of actual research projects has increased by 32 percent over the same four-year period.

## Income Levels

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Canadians looking to sell their products in Mexico should recognize and try to understand some of the seeming contradictions of the Mexican marketplace. According to some recent studies, about half of all Mexicans cannot afford the nutritional minimum prescribed by the Food and Agricultural Organization (FAO). In terms of income and income distribution, Mexico still resembles a developing country. On the other hand, two thirds of all households have television sets and the growing middle class in Mexico may almost be as numerous as it is in Canada.

Certainly Mexico's workers earn low wages — nearly 60 percent lower than South East Asia, 70 percent lower than Western Europe and 80 percent less than the United States. At present, low income levels and unequal wealth distribution mean that the Mexican market for consumer goods remains relatively small. As the country develops economically, however, it is inevitable that these wages will rise, improving disposable incomes and purchasing power.

On a per capita basis, Mexico's GNP is only about a seventh that of Canada. The year 1991 marked the nineteenth consecutive year that the minimum wage in Mexico dropped in real terms. Overall, between January 1986 and June 1991, the real minimum wage fell by 47 percent. As partial compensation for this fall, the government increased the minimum wage by 12 percent to \$US4.12 per day, net of benefits as of January 1992. About 20 percent of the population earns this minimum wage but another 17 percent actually receives less.

Despite the overall softness in Mexican wages, there has been some recovery in the wages paid in the manufacturing sector since 1988. There are workers that have benefited from more generous increases which have at least been in line with inflation. In addition to wages, most Mexicans receive fringe benefits (see Chapter VI) which — in the case of the *maquiladoras* — amount to as much as one third of a worker's total compensation package. In 1989, the average Mexican industrial worker received a wage equal to 4.5 times the minimum, representing a real increase of 9.3 percent over 1988.

Wages have been held down in recent years as part of *El Pacto*, the anti-inflationary agreement. This social consensus has been made possible by the threat of unemployment and the fact that the ruling PRI party dominates the trade-union movement.

The immediate promise of Mexico for Canadian exporters lies in the provision of capital goods to support the country's ambitious and rapid economic transformation. This in turn will stimulate economic activity, improve Mexican incomes and ultimately expand the demand for imported consumer goods.