

Mexico's Extreme Inequality: 1% Owns Half of Country's Wealth



Mexico, June 26 (teleSUR-RHC) Extreme inequality has increased in Mexico while the economy is stagnant, concentrating almost half of the country's wealth in the hands of its one percent elite, according to a new Oxfam report.

The report reads, the wealth of Mexico's 16 billionaires multiplies five fold each year, while the country's GDP increases by less than one percent annually. Mexico is among the top 14 richest countries in the world by GDP, yet over half its population, or 53 million people, live in poverty.

The report states that one of the most serious aspects of inequality is unbalanced income distribution, which is becoming more pronounced. Mexico's telecommunications tycoon Carlos Slim is the second richest person in the world. His estimated five percent return on wealth alone could cover the cost of some 2 million low wage workers at the minimum wage rate of \$4.50 per day.

The wealth of Slim and just three fellow Mexican billionaires account for 9 percent of the country's GDP, equivalent to the income of nearly 20 million Mexicans on the other side of the inequality equation.

The impact of severe inequality is not only economic, but also political. "We are concerned with the excessive and undue influence of economic and private powers in public policies and how this interferes with the exercise of citizens' rights," says the report. "The people most affected by this are the poorest."

Facing the harmful impacts of such a massive gap between rich and poor, the report identifies access to services with a focus on human rights, raising the minimum wage, progressive fiscal policy, and tax transparency and accountability as key future priorities in the fight against poverty and inequality.

An Oxfam petition, as part of a global campaign against inequality, is calling on members of Mexico's congress to pay attention to the needs of Mexican people and “end the vicious cycle of inequality” by prioritizing public spending on education, health care, and other basic services.

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