Is There a Middle Class in Mexico?

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Abstract

The majority of Mexicans consider themselves members of the middle class, due to all the symbolism that this concept implies. Furthermore, not only do people have this made-up understanding, but some researchers even claim that in Mexico there are no poor, and although Mexico is not fully developed, it has reached the level of a middle-class country. However, the analysis undertaken in this paper clearly shows that they are "misled". Mexico is not a middle-class country.

To talk about middle class is a matter of definition. We analyze the middle class concepts of Nancy Birdsall, Branko Milanovic, Martin Ravallion, Abhijit Banerjee and Esther Duflo, among others, finding that these definitions are based on Aristotle's idea of the "meson" (the middle). We have made a comparison between the middle class definition of these authors, and proposal welfare's estimate (the actual idea behind Aristotle's "meson"), based on food, education and health deprivation, as well as poor-job conditions, in order to draw an objective conclusion about México middle class.

Our conclusions are that in Mexico there is not a middle class. The majority of the population is poor and works under a subordinate employment relationship, without fringe benefits. Unfortunately, we have walked backwards. The public policy of the last years has not built a nation free of poverty and income inequalities.

According to the World Value Survey (WVS) in 2012 the majority of people in Mexico (62%) considered themselves as members of the middle class. Nonetheless, in the last 12 months previous the interview, one third of them had been left without enough food to eat (33.8%); six in ten had felt unsafe (59.9%) or had run out of money (57.7%); and four in ten (39.7%) had not been able to buy a medicine or pay for a health treatment. In other words, only 33% of them had covered all their needs, throughout the last 12 months: food, security, health treatments and medicines (when necessary)[1] (World Values Survey 2014)

If 66% have deprivations ¿why did they describe themselves as being part of the middle class? Maybe because they consume cheap goods and deficient services, and feel very happy by doing so. According to the survey, 60% had cellular phones, and 70% watched daily TV. Not surprisingly the majority (69.9%) of Mexican "middle class" feels very happy (World Values Survey 2014).

Not only has the public had this idea. Many government officials and politicians share this view. Felipe Calderon, for example, said in 2012 at the Council on Foreign Relations in Washington, that "we are becoming a nation of middle class", although he acknowledged, "this does not mean we're done with poverty once and for all"(Ramos 2012).

It is not the first time this happens. Two years before the outbreak of the Mexican Revolution, that had an obvious social origins, in the early twentieth century James Creelman interviewed Mexico's President Porfirio Díaz at Castillo de Chapultepec[2] in Mexico City, for *Pearson's Magazine*. During this interview Creelman said: "It is commonly held that the true

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[1] 2.5% have run out of food often, 12.3% sometimes, and 19.1% rarely; 12.3% have felt unsafe often, 29.5% sometimes, and 18.1% rarely; 6.9% have gone without needed medicine or treatment, 20.6% sometimes, and 12.3% rarely; and 7.7% have gone without a cash income often, 29.9% sometimes, and 20.1% rarely.

[2] At that time official residence of the president.

democratic institutions are impossible in a country that does not have a middle class". Porfirio Diaz "turned with a keen look, and nodded his head" and said: "It's true", and then added: "Mexico has a middle class now; but she had none before." (Creelman 1908, 240–241).

Something similar happens in the United States. According to the survey conducted by the Pew Research Center, 85% of Americans consider themselves middle class (Pew, 2014). However, Paul Krugman, 2008 Nobel Prize in Economic Sciences, points out in his blog "one of the odd things about America has long been the immense range of people who consider themselves middle class — and are deluding themselves." (Krugman 2012a). As expected, Krugman's comment provoked some reactions, similar to those heard in Mexico when someone dares to question if we are a middle class society: "(1) 'But they have cell phones!' and (2) it's about how you behave, not how much money you have'." (Krugman 2012b).

Krugman argued that in order to be "middle class" two crucial attributes must be present: security and opportunity. By security, he means that you have enough resources to deal with an ordinary emergency in life: health insurance, stable employment, and enough financial assets. By opportunity, he means that children are able to get good education and access to good jobs.

However, it seems that "to be or not to be" a middle class society is a matter of definition.

Toward a Middle Class definition

The concept of middle class could be defined or interpreted in several ways. Therefore, it is required to establish as clearly as possible what we mean by middle class. Its various meanings should not be an excuse to handle the term without precision, and then modifying its definition to accommodate the argument in turn.

Some scholars have based, explicitly or implicitly, their middle class definition on Aristotle. Athens in the IV century BC —unlike the V century BC called the Golden Age— was characterized by severe social crisis resulting from the conflict between the Greek cities known as the Peloponnesian War. The war had left the fields in bad condition. The small farmers abandoned their lands due to lack of funding, and lived in misery. The impoverished rural population migrated to cities, where surviving on meager wages or through attendance. Production and trade also declined. However, the crisis hit differently among population. Along with poverty, there was an increase in wealth of the people who speculated with land and trade.

Aristotle, who was a keen social observer, thought that Athens's balance could be regained if the prevailing social polarization was reduced. Some authors like Claude Mossé, have raised the issue that Aristotle addressed the policy of restoring the "middle class" in Athens (Mossé 1970). However, as M.I. Finley stated clearly, Aristotle refers repeatedly in his work to the "meson" (the middle), but the idea of social class, let alone middle class, is definitely not present in his work, at least in the modern sense of this notion:

> "In the Politics, *to meson* appears only in a few normative generalizations [...] of little practical significance [...] We must therefore restrict ourselves to the ancient connotations of the word-pair, rich and poor, and we must sedulously avoid the modern corollary of a substantial middle class with its own define interest" (Finley 1983, 10–11).

Aristotle's "meson" was part of his ethical view of life and his conception of virtue as middle between extremes. According to him, those who have the virtue of courage are neither

fearful nor reckless; righteousness was located between injustice by excess and injustice by absence:

> "For if it has been rightly said in *Ethics* that the happy life is the life that lived without impediment in accordance with virtue, and that virtue is a middle course, it necessarily follows that the middle course of life is the best" (Aristotle 1959 [350 B.C.E.], 1295a and 1295b).

According to Aristotle in every society there are three divisions: the very rich, the very poor, and those in the middle. The very rich have more than they need; the poor are in need because they have the minimum required to live, or even less. Only in the middle there is *true wealth*. Those who possess it are truly wealthy; they have what they need, neither more nor less:

> "But surely the ideal of the state is to consist as much as possible of persons that are equal and alike, and this similarity is most found in the middle classes [μέσος, the middle]" (Aristotle 1959 [350 B.C.E.] 1295a and 1295b).

What Aristotle wanted was a return to the situation of the Golden Age lived in the Fifth Century B.C.E., one that Euripides recounts in *The Suppliants*:

> "For there are three ranks [μερίδες, portions or segments] of citizens; the rich, a useless set, that ever crave for more; the poor and destitute, fearful folk, that cherish envy more than is right, and shoot out grievous stings against the men who have aught, beguiled as they are by the eloquence of vicious leaders; while the class [μοιρῶν, grades] that is midmost [μέσῳ. midst] of the three preserveth cities, observing such order as the state ordains" (Euripides (Translated by E. P. Coleridge) 2014 [422 B.C.E.], 194).

Human beings, Aristotle said, can only use a limited amount of goods and services. You could use eight beds in one night, one hour each, but it would be foolish. There is thus a natural wealth of those goods necessary for life and useful for domestic or political community. When Ferdinand Marcos ruled Philippines as president and later as dictator in the sixties, seventies and eighties, his wife Imelda accumulated more than 1,200 pairs of shoes. We should ask if those 1,200 pairs of shoes are real wealth for one person. Keep in mind that if Imelda had used three pair of shoes a day, she would have only used 1,095 pairs of shoes in one year.

How many glasses of orange juice can one drink throughout life? Is it limited or unlimited? Human wealth is limited because human been is limited. Therefore true wealth, the natural wealth, has limits. For this reason Aristotle proposed, as a solution to the social problems of his time, a wide middle sector of Athens citizens, who would have enough wealth to satisfy theirs needs; which would generate a community of free men, without slaves and masters.

The middle class from the point of view of poverty

Many researchers have followed the Aristotelian tradition without an explicit recognition of it. They equate Aristotle's "meson" with the middle class, even though Aristotle never spoke verbatim about the middle class, as we have seen. For them being part of the middle class is a matter of having a minimum level of welfare that allows depart poverty, without deprivations, nor superfluous excess.

These scholars measure welfare through an average income per person, and set a minimum threshold beyond which an individual (or family) becomes a member of the middle class. In México there is also a tendency to associate a pattern of consumption with the middle class (those who have cell phone, go to movies, dine out, or have a TV set, etc.).

Middle class as the "meson" (middle)

At the beginning of this century Nancy Birdsall, a former member of Carnegie Endowment for International Peace, and Carol Graham and Stefano Pettinato, from the Brookings Institute, completed a study on the middle class, "the large group of households that are neither wealthy nor poor, but form the backbone of both the market economy and democracy in most advanced countries"(Birdsall, Graham, and Pettinato 2000, 1).

According to the authors, the benefits of globalization have focused on the extremes poles of income the distribution. On one the poor have profited by the reduction of inflation, better quality of health and education, and, on the other side, the rich have benefited by having access to a greater variety of products. Understanding what happens in the middle of the income distribution allocation worldwide is critical to make globalization work for the majority of the world population and, therefore, sustainable. For these researches, the middle class is formed by households that are, literally, in the middle of the income distribution curve of each country. These would be the households with a *per capita* income in the range of 75 and 125 percent of the median household *per capita* income. In other words, they are actually measuring the level of Aristotelian definition of polarization. If the entire household income is located at the middle or median, then there would be no polarization. But, if only few families were located in this segment, and most of household incomes were located either beyond or beneath the mean distribution, there would be a high level of polarization.[3] The authors acknowledge that the economic policies that have affected the middle class are: a) reduction in the size of the civil service, which was the source of traditional middle class job opportunities, and also the privatization of state-owned enterprises, which has reduced the offer middle class jobs; b) the

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[3] In that case, it would be better to calculate the Wolfson polarization index. See (Foster and Wolfson 1992) and (Wolfson 1994).

reduction of social spending (health, education and pensions) in order to fund programs to fight poverty; c) a macroeconomic volatility related to a greater openness of the global economy and thus vulnerability to external shocks, i.e. banking crisis (although these authors recognize that market reforms bring both opportunities and uncertainties); and relative increases in the incomes of the rich (Birdsall, Graham, and Pettinato 2000).

Ten years after, Nancy Birdsall modified her operational definition of middle class. In a paper written in 2010, she defines "the 'middle class' in the developing world to include people at or above the equivalent of 10 dollars per day in 2005 PPP[4], and at or below the 95th percentile of the income distribution in their own country". She acknowledges that in her previous article, she was actually talking about "middle stratum" and not about the middle class (Birdsall 2010).

Middle class as an average income per person

Another attempt to calculate the size of the middle class was carried out by Branko Milanovic and Shlomo Yitzhaki. They address an important question: Is there a middle class in the world? In order to answer it, they divided the population of the world in three groups: 1) the rich, persons with an income at least as high as the Italy's mean income (approximately 22 dollars per day PPP); 2) the middle class, those with income levels higher than Brazil's income mean (9.5 dollars per day PPP) and lower than Italy's income mean (22 dollars per day PPP); and 3) the poor, those with an income level equal or less to Brazil's income mean. Their findings were that 78% of the world is poor, 11% belongs to the middle class, and 11% are rich: They concluded: the "world middle class is very small". (Milanovic and Yitzhaki 2002, 174). The

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[4] Purchasing power parity (PPP) "are the rates of currency conversion that equalize the purchasing power of different currencies by eliminating the differences in price levels between countries. In their simplest form, PPPs are simply price relatives that show the ratio of the prices in national currencies of the same good or service in different countries" (OECD 2014).

world has no middle class because income inequality is extremely high: "when the Gini coefficient is 66, higher than the Gini coefficient for South Africa and Brazil, it is simply numerically impossible to have a middle class" (Milanovic and Yitzhaki 2002, 175)

Years later, Abhijit Banerjee and Esther Duflo, from the Massachusetts Institute of Technology (MIT) reduced the minimum and maximum limits in order to define the middle class. According to them, families with a mean *per capita* consumption (not income) between 2 and 10 dollars per day (in PPA terms) belong to the middle class. They acknowledge that these families would be considered as poor by developed countries standards, but they are living clearly much better than the poor in their own countries. This level of consumption allows the middle class to buy expensive tasty food; spend on entertainment; buy a TV; invest in education (human capital); have access to health care, when required; have a well-equipped house, with several rooms, electricity, water and toilet. For these researches these are attributes of the middle-class. These middle-class people are able to sustain this consumption levels and standards of living because they have a regular and well paid job, or because they are "entrepreneurs" in non-farm businesses (except those living in rural areas). They also have smaller families and they invest in "human capital"(Banerjee and Duflo 2008).

In 2009, months after the outbreak of the financial crisis that severely stuck people of many countries, Martin Ravallion, then Director of the Development Research Group at the World Bank, evaluated the impact of that crisis in the shape of the income's distribution allocation, particularly of the middle class. He defined middle class, following Banerjee and Duflo, as those who are not poor by developing countries standards, which are estimated at 2 dollars per day (at 2005 PPP), but are still poor by the rich countries standards, because their income is equal or less to 13 dollars per day (at 2005 PPP). He set also a threshold of 9 dollars

per day (based on Uruguay) to divide the upper middle class from the lower middle class. With these parameters, those who earn more than 13 dollars per day (at 2005 PPP) are in the "Western middle class". Ravallion concluded that the middle class has grown 85%, between 1990 and 2005; an increase from 1.4 billion people in 1990 to 2.6 billion in 2005. In the opening of the XXI century 49% of the world's population belonged to the middle class, according to him. And in Latin America and Caribbean the figure rose to 66% (Ravallion 2010).

Based on these two previous studies (especially on Ravallion) the British magazine *The Economist*, stated that " for the first time in history more than half the world is middle-class — thanks to rapid growth in emerging countries" in an article entitled "Burgeoning bourgeoisie". In a section subtitled "Beyond Wisteria Lane ", the magazine claims that the middle class in developing countries have left behind their basic needs and now are focused on the needs of "belonging needs", "esteem needs" and "self-actualization needs", in accordance with the Abraham Maslow hierarchy of needs (Parker 2009).

In 2013, a study led by Francisco Ferreira, Julian Messina and Jamele Rigolini from the International Bank for Reconstruction and Development[5], amended Ravallion's definition. Their study adopts an economic perspective. Instead of welfare, it uses the concept of economic security, which relates to a low probability of falling back into poverty. This exercise uses an income threshold of 10 dollars per day (PPP) *per capita*, as the lower-bound income for the middle class.[6] The upper income threshold for the middle class is set at $50 *per capita* (PPP) per day. They added a new category, "vulnerable population": those who earn between 4 and 10 dollars per person per day (PPP) (Ferreira et al. 2013).

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[5] International Bank for Reconstruction and Development is one of five institutions that make up the World Bank Group. It works with middle-income and poorer countries.
[6] An income that, according to the authors, corresponds to 10% probability of falling in poverty.

In México, a way to measure the size of the middle class has been suggested base on the socioeconomic levels designed and used by the Asociación Mexicana de Agencias de Inteligencia de Mercado y Opinión[7] (López Romo 2011), in spite of the fact that the association itself has said that the socioeconomic levels they measure has nothing to do with the social class. AMAI has identified seven socioeconomic levels: A/B, C+, C, C-, D+, D and E, in order to distinguish social, political and consumer behaviors of the Mexican population (López Romo 2011). Nonetheless, Luis de la Calle and Luis Rubio have used these socioeconomics levels to define upper and lower limits that define the middle class. According to these authors the Mexican middle class matches up with AMAI levels C, C- and D+. And hence they conclude that 53% of Mexico's population was middle class in 2002 (Calle and Rubio 2012).

Poverty and the middle class in México

But, is there a middle class in México? In order to answer, we have estimate the number of households that would qualify as middle-class in accordance to each one of the definition explained above. The data has been taken from *Encuesta Nacional de Ingresos y Gastos de los Hogares, ENIGH* (National Survey of Households Income and Expenditure), conducted by Instituto Nacional de Estadística y Geografía, INEGI (National Bureau of Social and Economic Statistics which is the most important Mexican institution for these purpose). The last *ENIGH* exercise was carried out in 2012; the results are summarized in Table 1.

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[7] Mexican Market Research Association founded in 1992.

Tabla 1
Characteristics of the different definitions of middle class in Mexico, 2012

	Birdsall et.al.	Birdsall 2010	Milanovic and Yitzhaki	Banerjee and Duflo	Ravallion	Ferreira et.al.	De la Calle y Rubio
Number of households	31,559,379	31,559,379	31,559,379	31,559,379	31,559,379	31,559,379	17,307,061
Poor	11,530,438	15,094,562	14,364,550	862,954	653,695	15,094,562	5,547,922
Middle class	7,401,527	14,886,915	10,500,760	14,231,608	16,634,039	14,579,237	8,493,985
Wealthy	12,627,414	1,577,902	6,694,069	16,464,817	14,271,645	1,885,580	3,265,154
Percentages							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Poor	36.5%	47.8%	45.5%	2.7%	2.1%	47.8%	32.1%
Middle class	23.5%	47.2%	33.3%	45.1%	52.7%	46.2%	49.1%
Wealthy	40.0%	5.0%	21.2%	52.2%	45.2%	6.0%	18.9%
Mean Years of Schooling (Head of household)							
Poor	5.9	6.1	6.1	4.5	4.7	6.1	6.2
Middle class	7.4	9.6	8.4	6.2	6.4	9.6	10.5
Wealthy	10.9	14.9	12.5	10.1	10.5	14.6	14.4
Middle class							
Monthly income per capita (Mexican Pesos)							
Minimun	1,913	2,430	2,309	487	434	2,430	49
Maximun	3,188	13,250	5,344	2,429	2,815	12,096	92,168
Mean	2,483	5,121	3,500	1,479	1,617	4,962	5,273
Monthly income per capita (Dollars PPP)							
Minimun	240	304	289	61	54	304	6
Maximun	399	1,659	669	304	352	1,514	11,540
Mean	311	641	438	185	202	621	660
Poverty (CONEVAL)							
Middle class households	7,401,527	14,886,915	10,500,760	14,231,608	16,634,039	14,579,237	8,493,985
Neither poor, nor vulnerable	912,694	5,552,066	2,804,755	248,122	612,359	5,339,484	3,016,005
- Percentages	12.3%	37.3%	26.7%	1.7%	3.7%	36.6%	35.5%
Middle class households according number of deprivations							
0	1,471,655	5,784,111	3,094,527	1,250,545	1,733,929	5,571,529	3,586,330
1	2,384,775	4,344,601	3,311,487	3,292,148	4,025,604	4,309,659	2,635,073
2	1,895,376	3,117,868	2,515,243	4,098,867	4,732,253	3,076,371	1,792,160
3	1,187,483	1,225,622	1,171,141	3,180,557	3,512,499	1,212,184	445,207
4	338,500	315,849	302,865	1,671,014	1,810,890	315,849	33,580
5	109,479	93,242	94,100	665,448	732,925	88,023	1,635
6	14,259	5,622	11,397	73,029	85,939	5,622	-
Percentages							
0	19.9%	38.9%	29.5%	8.8%	10.4%	38.2%	42.2%
1	32.2%	29.2%	31.5%	23.1%	24.2%	29.6%	31.0%
2	25.6%	20.9%	24.0%	28.8%	28.4%	21.1%	21.1%
3	16.0%	8.2%	11.2%	22.3%	21.1%	8.3%	5.2%
4	4.6%	2.1%	2.9%	11.7%	10.9%	2.2%	0.4%
5	1.5%	0.6%	0.9%	4.7%	4.4%	0.6%	0.0%
6	0.2%	0.0%	0.1%	0.5%	0.5%	0.0%	0.0%

Note: AMAI (De la Calle and Rubio) only make it's calculations for the urban areas (50,000 or more inhabitants), for this reason the households number is only 17.3 millions.

Source: Elaborated with data from Instituto Nacional de Estadística y Geografía (INEGI), *Encuesta de Ingresos y Gastos de los Hogares 2012, Microdatos de la muestra* ; and for PPP conversion factor World Bank , accessed September 14. http://data.worldbank.org/.

As one can see in Table 1, the number of middle class households in México varies from 7.4 million (23.5% of the households) if we use Birdsall et.al. definition based on median, to 16.6 million (52.7% of the households) with Ravallion's definition.

The mean income also varies. The bounds in Banerjee-Duflo and Ravallion are the lowest, for that reason by their standards the middle class mean *per capita* income is very small: around 1,500 dollar per month. At the other end, Birdsall's 2010 version and Ferreira et.al, establish a high upper income threshold, not surprisingly in this case the mean *per capita* income of the middle class grows to 5,000 dollars (PPP), more than three times higher than the lowest estimate.

What can one say about poverty? All the researchers that we have analyzed stated that the middle class is integrated by households that have moved out of poverty. But if we evaluated the condition of poverty of these middle class households using the methodology of Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL),[8] most of the Mexican middle class households would be actually poor or vulnerable.[9] For example, if we use the definition of Banerjee and Duflo there would be 16.5 million middle class households, but the majority of them (98%) would be poor or vulnerable. If we use the definition of Ferreira et.al. there would be 14.6 million middle class households, two third of them (63.4%), would be poor or vulnerable (See Table 1).

CONEVAL has adopted a multidimensional poverty methodology, that combines a twofold approach: 1) the economic outlook, by fixing a wellbeing line, equivalent to the

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[8] National Council for the Evaluation of Social Development Policy, an independent government entity in charge of measuring poverty in México.
[9] Vulnerable is defined by households that due to the deprivations they have or due to the lack of money could be easy fall down in poverty, when confronting a difficult situation: loss of job, sickness, etc.

combined value of the food basket and the non-food basket; and, 2) the human rights

perspective, by measuring the level of deprivation relative to the household's access to food,

education and health; job security; and, quality and basic services in the dwelling (Hernández

Licona 2010).

This second approach is based in the United Nations Universal Declaration of Human

Rights, which has been lately incorporated, together with other human rights international

treaties, in Article 1° of the Mexican Constitution, amended in June, 2011.[10]

We have calculated the number of deprivations, following CONEVAL methodology, for

the middle class households, for each one of the middle class definitions previously analyzed,

and the results are shocking.

Only 1.7% of the households in México that qualify as middle class with Ravallion's

definition are not deprived of one or more of their human rights relate to access to food,

education, health, job security, and quality in the dwelling. Although this figure rises to 37% of

the households with the definition proposed by Ferreira et.al., nevertheless even in this one case,

and in all the other cases the truth is that the vast majority of households that were qualified as

middle class with different definition are actually poor due to deprivations they have. Even more,

the percentage of middle class households with three or more deprivations, those who live close

to extremely poor definition of CONEVAL,[11] varies from 10-11% (Birdsall 2010 and Ferreira,

et.al. definitions) to 36-39% (Banerjee-Duflo and Ravallion definitions). In other words, 6

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[10]   See Article 1° of the Political Constitution of the United Mexican States (Diario Oficial de la Federación (Federal Official Gazzette) 2013, 3)
    [11] CONEVAL defined as extremely poor those households who have three or more deprivation, and are below the economic wellbeing line.

million families in México would be practically in extreme poverty by Banerjee-Duflo and Ravallion standards (see Table 1).

Socioeconomic characteristics of the middle class

One of the problems behind these middle class definitions is that they hide the actual social condition of the families described as "middle class". From a sociological perspective it is one thing to be poor, and another quite different is to belong to certain social class. A farmer or a manufacturer worker, independently of his poverty condition, is a farmer or a manufacture worker. We could describe either one as rich or poor, but other issue is being part of a specific social class. If we want to use de Aristotle's "meson", we must translate it to "middle income sector", because a social class condition is conceptually and physically different.

Accordingly in the Mexican case, our estimates based on ENIGH data shows that every one of the middle class definitions we analyzed above, shows a variety of socio economic conditions (see table 2).

If we work with the definition of Birdsall (2010) and Ferreira, et.al., eight in ten head of middle class households one of the following working conditions: subordinate with contract, with temporary contract or without contract; pensioner or retired; micro entrepreneur (1-10 employees); or independent worker with elementary school or illiterate.

Using the Banerjee-Duflo and the Ravallion definitions we arrive at a different image. Seven in ten head of middle class households are subordinate with temporary contract or without contract, independent worker with elementary school or illiterate, or micro entrepreneur (1-10 employees). These jobs are not what most of the people would have in mind when they reflect on the socio economic characteristics of the middle class.

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Tabla 2

Socioeconomic characteristics of the middle class in Mexico, 2012

	Birdsall et.al.	Birdsall 2010	Milanovic and Yitzhaki	Banerjee and Duflo	Ravallion	Ferreira et.al.	De la Calle y Rubio
Occupation of head of middle class family	7,401,527	14,886,915	10,500,760	14,231,608	16,634,039	14,579,237	8,493,985
Medium entrepreneur (51-250 employees)	9,826	14,028	9,826	-	9,826	14,028	-
Small entrepreneur (11-50 employees)	26,693	69,116	49,932	12,370	36,660	61,758	18,418
Micro entrepreneur (1-10 employees)	634,740	1,320,595	911,298	1,880,800	2,105,540	1,292,338	586,560
Independent worker with higher education	20,364	213,918	84,476	80,872	89,598	211,270	157,971
Independent worker with high school education	147,034	333,570	273,156	252,168	303,297	333,570	259,242
Independent worker with elementary school or illiterate	698,447	951,928	838,711	2,021,823	2,323,331	921,876	528,945
Subordinate with contract	1,176,468	3,815,709	2,236,422	1,325,771	1,651,216	3,704,830	2,481,034
Subordinate with temporary contract or without contract	3,002,022	4,327,080	3,449,071	5,966,393	6,898,859	4,295,484	2,214,657
Subordinate (not knowing what type of contract)	50,946	21,068	21,068	76,024	86,828	21,068	12,112
Subordinated unpaid in home business	52,280	55,199	56,653	121,959	143,872	48,704	42,409
Subordinated unpaid in non-home business	38,720	67,699	52,433	26,948	40,267	67,699	32,964
Unemployed	150,275	288,171	230,097	335,213	400,496	279,846	222,629
Lessor	4,397	56,852	22,283	8,687	8,687	56,852	9,262
Pensioner or retired	464,735	1,518,188	869,132	419,291	564,047	1,474,845	977,039
Housewife	583,456	1,160,558	889,189	958,015	1,129,063	1,142,063	612,132
Student	40,536	141,155	92,818	35,096	48,456	141,155	117,739
With disabilities	110,940	201,691	164,262	269,720	297,217	201,691	60,390
Not specified	189,648	330,390	249,933	440,458	496,779	310,160	160,482
Percentage							
Medium entrepreneur (51-250 employees)	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%
Small entrepreneur (11-50 employees)	0.4%	0.5%	0.5%	0.1%	0.2%	0.4%	0.2%
Micro entrepreneur (1-10 employees)	8.6%	8.9%	8.7%	13.2%	12.7%	8.9%	6.9%
Independent worker with higher education	0.3%	1.4%	0.8%	0.6%	0.5%	1.4%	1.9%
Independent worker with high school education	2.0%	2.2%	2.6%	1.8%	1.8%	2.3%	3.1%
Independent worker with elementary school or illiterate	9.4%	6.4%	8.0%	14.2%	14.0%	6.3%	6.2%
Subordinate with contract	15.9%	25.6%	21.3%	9.3%	9.9%	25.4%	29.2%
Subordinate with temporary contract or without contract	40.6%	29.1%	32.8%	41.9%	41.5%	29.5%	26.1%
Subordinate (not knowing what type of contract)	0.7%	0.1%	0.2%	0.5%	0.5%	0.1%	0.1%
Subordinated unpaid in home business	0.7%	0.4%	0.5%	0.9%	0.9%	0.3%	0.5%
Subordinated unpaid in non-home business	0.5%	0.5%	0.5%	0.2%	0.2%	0.5%	0.4%
Unemployed	2.0%	1.9%	2.2%	2.4%	2.4%	1.9%	2.6%
Lessor	0.1%	0.4%	0.2%	0.1%	0.1%	0.4%	0.1%
Pensioner or retired	6.3%	10.2%	8.3%	2.9%	3.4%	10.1%	11.5%
Housewife	7.9%	7.8%	8.5%	6.7%	6.8%	7.8%	7.2%
Student	0.5%	0.9%	0.9%	0.2%	0.3%	1.0%	1.4%
With disabilities	1.5%	1.4%	1.6%	1.9%	1.8%	1.4%	0.7%
Not specified	2.6%	2.2%	2.4%	3.1%	3.0%	2.1%	1.9%

Note: AMAI (De la Calle and Rubio) only make his calculations for the urban areas (50,000 or more inhabitants), for this reason the households number is only 17.3 millions.

Source: Elaborated with data from Instituto Nacional de Estadística y Geografía (INEGI), *Encuesta de Ingresos y Gastos de los Hogares 2012, Microdatos de la muestra* .

Conclusions

In Mexico there is a small and limited middle class, if one defines it in such terms that a poverty condition is excluded, i.e. the middle class as a group of households that do not have deprivations. But, one must be aware that the estimates suggested by the researchers we have studied, use a lower and upper bound, and therefore *are nothing less than a statistic aggregate*, and definitely cannot be used to categorize and describe social classes.

These researchers find a large range of middle class portrayals. They describe the middle class as: "the backbone for both the market economy and of democracy", "those who look to the future and thus see saving and educational as essential", "neither the poor, nor the working force" (Birdsall, Graham, and Pettinato 2000); "they are more likely to be holding a steady job", "they have fewer, healthier, and better educated children" (Banerjee and Duflo 2008); they have more probability of having a formal employment rather than an informal, they work in the service sector, they buy private education, and their family has access to private hospitals, when needed (Ferreira et al. 2013).

Unfortunately, we have real doubts that one will find households that match with this description of the middle class, in a households that fit the lower and the upper income thresholds these and others researchers have used. Their path of thought does not offer a solid empirical proof that these social characteristics are present in the middle class.

Ravallion argues that in his paper he focused "on a definition that seems more defensible in the context of developing countries". But our conclusion demonstrates the contrary. Ravallion definition, just as the one by Barnejee and Duflo, appertain to less defensible.

We concluded, with Milanovic and Yitzhaki, that a country that has a high income inequality is not able to have a middle class. Despite the official statistics, evidence shows that neither family income nor wealth, are not well distributed in México. [12] A fact that will convince those who have doubts is that today the difference between the salary of the CEO of one of the biggest Mexican banks and the earning of a bank cashier is 2,100 times (Citigroup 2014). When Alexander von Humboldt visited Nueva España (former México in 1803-1804), he found that, in a good economic year, the difference between the earnings of Conde de la Valenciana, owner of Valenciana mine, and the salary of the miner worker was only 1,200 (De Humboldt 2011).

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[12] An investigation made by Miguel del Castillo has demonstrated that if we adjust the income distribution, that is, we add the capital earnings not reported by the rich in the ENIGH survey, with the data provided by National Accounts, the Gini coefficient grows from 0.453 (official figure) to 0.669 (Del Castillo Negrete Rovira 2014).

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