

## Brazilian Worker Spends 57% of Minimum Wage on Food

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Low-income workers in Brazil, especially those who earn a minimum wage, are now spending a smaller part of their earnings to buy a basket of basic necessity goods (cesta básica).

The cost of the basic basket fell in June to 57.5% of a minimum wage, compared to 59.01% in May. In June 2004, a worker had to spend 64.27% of his minimum wage to pay for a basic basket.

"In May the minimum wage was adjusted above the Consumer Price Index, at the same time that the average price of goods in the basic basket rose less than the minimum wage. The result is that a worker's money goes further," explains José Silvestre, of the Dieese, a union-linked socio-economic research institution, which runs a monthly survey on the cost of the basic basket.

He adds that another way to look at it is as a reduction in the time a worker has to work to buy a basic basket.

In June, the time needed dropped to 116 hours and 49 minutes, down from 119 hours and 54 minutes in May.

And for the sake of comparison, in June 2004, a total of 130 hours and 34 minutes were needed to pay for a basic basket.

As for the minimum wage, it rose 13% in May, going from US\$ 109.47 (260 reais) to US\$ 126.31 (300 reais).

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