

PROGRESA as a Response to the 1994 Crisis

by Fernando Cortés and Rosa María Rubalcava, Colegio de Mexico

In December 1994, Mexico experienced a profound economic crisis that drove up poverty to its highest levels in 20 years. Between 1994 and 1996, food poverty as a percentage of the population grew from 21.4 to 37.4, and asset poverty from 52.4 to 69.0 per cent. The Government that had come to power at the beginning of December 1994 adopted a number of measures in order to protect the poorest segment of the population, one such measure being the 1995 launch of a pilot programme in the Mexican state of Campeche known as the Food, Health and Education Programme (PASE). As Cortés and Rubalcava note, the results of the pilot phase of PASE were unsatisfactory, compelling the Technical Secretary of the working group of President Zedillo's Social Development Cabinet (GDS) to request the assistance of CONAPO (National Population Council) in an assessment of its pitfalls.

CONAPO carried out a review of PASE and found it had a number of inherent shortcomings. This included the fact that the Municipality as a territorial unit was too large for the Programme's purposes, and also that individuals from the registers of the 'Liconsa' and 'Diconsa' programmes had been used despite the fact that the actual intention of PASE was to benefit not individuals but families (and indeed Liconsa and Diconsa were at that time considered to be regressive in nature anyway). More broadly, PASE gave little attention to the particular socio-demographic realities faced by Mexico's poorest people. As a standout example, support was provided in the form of money deposited on debit cards, yet in the poorest communities there were no ATMs to be found.

CONAPO's critical analysis was influential in the later design of PROGRESA. CONAPO's insight with respect to the key determinants of fertility rates, as well as its calculation of the marginalization indices for each locality using the 1990 Census, were themselves crucial inputs to PROGRESA's development, as were CONAPO's geo-referenced schools and health centres, which allowed for locating these institutions in the field and likewise creating maps in order to provide information about the accessibility of communities in terms of topography and the quality of roads. Indeed all of this data augmented in-depth knowledge of the survival strategies—for example the use of domestic labour, including child-labour (which results in school dropout, especially for girls)—typically adopted by poor families, that Mexican social researchers had already been accumulating since the late 1970s.

The background studies used in the design of PROGRESA brought together a range of professionals from fields such as Anthropology, Demography, Economics, Statistics, Geography,

Mathematics, Medicine and Sociology, inter alia, that were in a position to provide the most up-to-date empirical research. This multidisciplinary approach stands in contrast with the conventional use of professionals from merely one or two disciplines in each Ministry; specialization which would ultimately have a restrictive effect on the social programmes that are proposed by each Ministry.

At the same time, an Extended Social Cabinet was created to deliberate progress of PROGRESA's development while simultaneously providing a forum for political dialogue between, on the one hand, emerging civil servants giving primacy to the role of the market in social policy and, on the other, traditional civil servants proposing that actions should be kept in the hands of the State. The 'new' civil servants, in effect, proposed the distribution of money (such as with PASE in the Mexican state of Campeche) and that each beneficiary be given personal latitude to decide on the use of this money, while the other school of thought—the traditionalists—effectively maintained that the State should provide the goods and services required by the population. In the case of education, for example, the first of these philosophies leaned toward monetary transfers and the second called for the State to facilitate the provision of uniforms, books and useful, educational materials.

Judging by the results, these discussions ended in a number of general compromises. With respect to education, for example, PROGRESA ultimately gave grants in cash, differentiated by gender, but the Ministry of Education provided the supply side. With respect to health and nutrition, PROGRESA provided food support by way of cash deliveries but the Ministry of Health was responsible for providing basic health care in the communities.

To sum up, the analysis of the process that led to the design of PROGRESA demonstrates the advantages of, indeed need for, multidisciplinary and (hence) multiple perspectives and approaches. The complex realities of poverty cannot be fully captured by any single discipline tackling problems with a particular viewpoint. The design of the Programme incorporated various theories research methodologies. That said, it is nevertheless also important to recognize those involved in building the Programme (policy makers, researcher, etc.) were not evenly matched in terms of resources and power, which in turn played a role in affecting the solutions that were given to the various obstacles that arose in PROGRESA's design.

Reference:

Cortés, F. & Rubalcava, R. M. (2012) Progress as a response to the 1994 crisis in González de la Rocha, Mercedes and Agustín Escobar Latapí (Coords.), 2012, Poverty, Conditional Transfers and Society, Mexico D.F.: Casa Chata Publications, CIESAS.