POVERTY: AN OUTLINE OF POLICIES OF POVERTY IN MEXICO AND LATINAMERICA (2000-2006)

Oscar González Muñoz, Ph. D.

Institute for Research and Advanced Studies of Management Sciences (IIESCA)
Universidad Veracruzana, Dr. Luis Castelazo Ayala S/N, Col. Industrial Ánimas, carretera Xalapa - Las Trancas, C.P. 91100

ABSTRACT

This article addresses the issue of poverty from an economic perspective and which is based in the analysis of the programs developed in Mexico to decrease it. Thus, this work begins considering that per capita income has been the determining factor to the growth of the conditions to measure poverty. However, measuring poverty based on this approach leads to the identification of arbitrary assumptions and out of other variables that express living standards achieved by other means, coming to regard the fact of poverty in other regions of Latin America, it is noted that the development of the above, leads to new situations related to the context of regional, national economic policies and even the national will to address this problem of distribution.

KEYWORDS: poverty, measure poverty, policy public.

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1. INTRODUCTION
One of the great problems of modern society is the one that relates to the lack of opportunities for people to benefit productive environment and national. However, the development of organization schemes from the perspective of publishes implies consider the study of the most actions that relate to the development of productive resources. Being one of these, which is related to the capabilities of the organization of the state and the current economic conditions? Thus, this article takes a journey about current public policies and the development of government efforts to address the problem of poverty and relates these efforts to the current condition of the people considered poor in Mexico, the problem of measurement and identification amid conditions that strengthen institutional development.

2. TOWARD AN UNDERSTANDING OF POVERTY CONCEPT
The study of poverty refers to the degree of economic and institutional shortcomings of a given population in particular contexts. At the same time, it is a means to generate an overview of the current status of deficiencies in a particular region. Therefore, any study conducted on this distribution problem, tries to answer questions about whom and how many are poor.

Thus, measuring poverty in a one-dimensional sense through admission, meant to quantify the number of needy with objective results and comparisons between similar environments. This is the case of Mexico and their Latin America who share colonization processes, culturalisation and eventually poor economic growth of the backwardness and marginalization of some regions is attributed.

In 2007, the Economic Commission for Latin America and the Caribbean (ECLAC) with reference to the results of the International Labour Organization (ECLAC 2003) showed that unemployment was the main cause of poverty and inequality in Latin America. However, the stability obtained during 2003 to 2006.

Period in which economic growth rates of gross domestic product (GDP) was less than the increase in the economically active population, increasing the poverty index in the region. So the recommendation was to increase the levels of economic growth to meet the necessary occupancy rates.

However, empirical evidence from studies on poverty Machinea and Hopenhayn (2005) showed that "Despite the growth of some Latin American economies, inequality in Latin America remained alongside poverty in absolute terms. With a high correlation between inequality and social characteristics of the population such as rural-urban ethno-racial and residential home (p. 79-89). Thereby showing that a suitable scenario to overcome poverty depend on the results of the economic growth and institutional force capable of promoting social justice given the current status.

In addition, ECLAC (2007a) data on poverty in each Latin American country showed that the effect of the policy of social development for the poor was insufficient to overcome poverty in the region. In Latin American countries such as Argentina (in the region of Gran Buenos Aires), Brazil, Chile, Ecuador, Mexico, Bolivarian Republic of Venezuela and Panama, stability of employment and social protection policies reduced the number of poor.

While in countries like Dominican Republic, Bolivia, Paraguay (Asunción metropolitan area) and Uruguay (urban areas) the objective of reduce the number of people living in extreme need was not met. Because the social protection policy was conditioned to the situation procyclical of public spending, so like to the inappropriate design of social programs. Therefore, the Basic Universalism as the social policy for Latin America...
recommended by the World Bank and agreed to be implemented by the countries of the region, was not effective in the region (World Bank, 1999, March).

The lack of sufficient economic growth in the poorest countries affected the effectiveness of social programs and weakened the effort to increase the income of their inhabitants. Thereby demonstrating that the aim of overcoming the condition of poverty between the could be achieved through economic stability derived from social spending and the stability of each economy, -and dependent of an effective revenue collection policy-, capable to respond to social needs.

It should be mentioned that even considered valid results on the level of poverty in Latin America, each country maintains a different system of indicators and conditioning the reach of measurement instruments, to be used as benchmarks of living and economic growth in the Latin American region. Having similar objectives, processes of recording and accounting of the number of poor, are made at different periods that generate the need to argue that identifying people in extreme need takes place in different spaces and times. This is demonstrated by the data on the poverty of ECLAC in "Social Panorama of Latin America 2007" with results obtained on the level of deprivation in extreme, than in Argentina, only considers the measurement of the number of urban poor (ECLAC, 2007b, p. 168). In Peru, the poverty level is obtained by the System of National Accounts of the National Institute of Statistics and Informatics (INEI) in the rural and urban environment, and in Colombia, the data on the number of people in condition gap is obtained joining the Series of unemployment, poverty and inequality (MESEP) with those obtained by the National Planning Department (DNP). While in Mexico, the poverty measurement was performed from 1992 to 2006, through thresholds or poverty lines. However, the level of poverty has declined in Latin America and generating overtones that demonstrate improvements over the status of the 80's. Accepting responsibility for social science to show that this has happened in Mexico and studies that showing different perspectives on poverty reduction based on income.

3. HISTORY OF SOCIAL POLICY AGAINST POVERTY IN MEXICO

Studies by the Department of Economic and Social Affairs of the United Nations (UN DESA, 2007) on poverty in Latin America have highlighted the need to make of the region, an economic bloc with sustainable levels of growth, as a means to overcome their poverty levels in most countries. To achieve this, it has been recommended countercyclical fiscal policies capable of addressing economic downturns and ensures the development of individuals in the context of stability. And strengthen institutions as a means of achieving social equality.

Regarding the latter, from the year 2001, the government of Mexico sought to strengthen the institutions of social assistance to empower the population of social rights, as an attempt to achieve social justice. An example is the General Law of Social Development in Mexico (LGDS), which formalizes radicalization programs of poverty. And recently in 2011, with the amendment to the constitutional provisions as Article 4 of the Constitution of the United Mexican States (CPEUM, 2011) that guaranteed by the Mexican State the right to the mexicans to a nutritive, sufficient and quality feed.

However, secure means of generating economic growth and social justice, are due to a process of historical change and social transformation of the Mexican economy. They started in the early 30's, when conditions originated in the Mexican Miracle or Stabilizing Development (MMSD) was high rates of economic growth due to cyclical policies to industrial sectors and low inflation. Although followed by an unequal distribution of opportunities between city and countryside regions (INEGI, 1999). According to Fay and Opal (2009) The difference in the level of development between rural and urban areas,
from the 30's, was attributed to social policy implemented in rural areas that included the free distribution of land to peasants under the formality of the *ejido*, and in urban areas, the nationalization of the oil and railroad industry, the source of the labor unions and the social protection system as the Institute for social Security and Services for State Workers (ISSSTE) and the *Mexican Institute of social Security* (IMSS).

In addition to the above, from the early 30s and from the need to generate sustained economic growth, the paradigm that high birth rates possible to develop conditions for the production and demand took hold in the Federal Government, decreeing so, the General Law of Population.

However, to the importance of that provision, which provided increased population density in the country, joined the unequal distribution of opportunities and it intensified migration flows from rural environments to large cities. Getting to 1960, high levels of urbanization, congestion and overcrowding in the main urban centers of the country to the north and northeast (INEGI, 1992).

Is evident, for the decade of the 70's, the abandonment of the primary sector by the economically active population, especially male, delineated the cause of excessive urbanization and inequality between rural and urban areas. Increasing female poverty in rural areas and making women heads of households, who worked longer hours and received fewer fees (Boltvinik, February 2002). Under this scenario, from the federal government was created a Comprehensive Rural Development Programme (PIDER), managed by the Ministry of Planning and Budget from 1973 to 1978, focused on giving attention to rural groups, through economic supports to the development of different types of projects, based in agricultural production and social welfare works (Ordóñez, 2002).

However, after 1975 and until 1979, low international oil prices affect national income, the value of imports, the interest derived from debt and the level of public expenditure. That is, the Stabilizing Development who had accompanied the industrialization of Mexico, ended with what became known as The Debt Crisis (Guillén, 2000).

Thus, the lack of economic stability conditions began in the decade of the 80's, forced to cut public investment and spending and strengthened government policy neoliberal. According to Rey (1987) from 1982, the search for alternatives to address the economic crisis became *policy to reduce the level of debt*, containing inflation, reducing government spending, contracting the money and credit supply and accelerating the process of trade liberalization, with minimal state intervention in economic matters.

Thus, for Gutiérrez (1991), the effect of neoliberal policies employed since 1982, meant to reduce care programs for vulnerable groups, such as limited social health services, reported by the Mexican Social Security Institute (IMSS) and Institute for Social Security and Services for State Workers (ISSSTE) recorded a significant increase in cases of malnutrition and morbidity.

As a result of neoliberal policies instituted, the trade imbalance was settled and the fiscal imbalance was overcome, although shrinking demand affecting the value added of domestic production. The conclusion was a decade with zero growth and a fall in gross domestic product to 2% per year (Ramírez, 2008, p. 8). According to the INEGI Historical Statistics (1999), from 1988 would recover economic stability by increasing flows Foreign Investment (FDI). While on the side of social policy, the first programs against poverty would be set up in agency coordination. Through the General Coordination of the National Plan for Depressed Zones and Marginal Groups (COPLAMAR), the first effort by the Federal Government would be implemented, to providing care to the marginalized population through self-management, organization and reorganization of activities for the benefit of environment in the regions of high and very high marginalization. Thus defining
the minimum set of food items represented by the Basic Food Basket (CBA) as a reference for basic needs considered elementary to be attended through income (COPLAMAR, 1989).

For Blecker (1996) since 1988, with the Economic Solidarity Pact (PSE) in Carlos Salinas de Gortari administration would begin the new face of neoliberal macroeconomic policy in Mexico institutions. And in the context of a fledgling democracy, would be sought how to legitimate the executive. To achieve this, the welfare levels in the population, would be indicators of economic growth and stability.

According to Martinez (1998), after 1988, the main instrument of economic stability was the dynamic and accelerated trade liberalization, elimination of the fiscal deficit through spending cuts, sale of assets held by the state to benefit the normality in government revenue and an overvalued exchange. Thus, by fixing the wage growth rate equal to the projected inflation, macroeconomic recovery and price stability was achieved, although the conditions of poverty and inequality continue present in most of the population.

By the year 1989, the National Solidarity Program (PRONASOL) appears, with the objective of attend the problems of rural and urban poverty. Through social organization among institutionalized corporate unions and the Ministry of Finance and Public Credit (SHCP), were determined maximum prices to Basic Food Basket (CBA) and established the level of growth of inflation according to the increase in the Minimum Wage General (SHCP, 1989). Thus, access to all assets of the CBA was reinforced and strategies to guarantee the basic consumption of tortillas through of “Tortivales” and Milk Industrialized by the Governmental Program (Liconsa) were created.

As an attempt to achieve social integration of the indigenous of the National Indigenous Institute (INI) - created in 1948 strengthened - by channeling resources to the target population, through the Direct Food Assistance Program (PAAD) in extreme poverty. Whose principle of operation is the organization of indigenous people and their articulation with institutional health services and education as well as the provision of free food to the CBA (INI, 1997). By 1992 - before to the entry into force of the Free Trade of the Americas (FTAA) - the Government of Mexico required economic indicators to demonstrate economic and social stability to its partners. As seen, within the System of National Accounts (SNA) of the National Institute of Statistics, Geography and Informatics (INEGI), the National Household Income and Expenditure Survey (ENIGH) is considered as a tool for quantification of the poor.

This instrument of measurement and identification of sources of income and expenditures of households would biannual and reports from that year, the level of prevailing shortage and has served to recognize the condition of poverty in Mexico and aims to obtain information on the amount, origin and distribution of income of national households or foreign residing in the country and their ability to consume a Basic Food Basket (CBA) updated prices of August each year. Defined the CBA, were identified three poverty lines (LP), from 1992. Starting with analyzing the level of deprivation through extreme conditions understood as poverty or food LP; present in 21.4% of the population. Then the poverty level identified as LP capacity, understood as the level of deprivation that prevent consume food resources, along with health and education services; present in 29.7 %. And finally, the asset poverty, defined as the inability to consume food resources, along with education, health and services such as transport, housing and household satisfactions; condition present in 53.1 % (ENIGH, 1992).

Thus, in 1992, more than half of mexicans were living in poverty and it was necessary to give priority to the problem of lack of income in the population within the themes of the national agenda. Generating the establishing of strategies that would beat the living
conditions of the Mexico’s, to the future trade integration process that would integrate Mexico into the international scene (Parker, 2010).

However, in 1994, Mexico faced another economic crisis. According to Calva (2001) the government of Ernesto Zedillo Ponce de León, tried a similar intrusion from 1982 to 1987. By contraction of investment, government spending, and a restrictive monetary policy, would face appreciated exchange rate behavior. As a result, unemployment increased from 1994 to 1997 to a national rate of 6.2 %. And the living conditions of workers and the vulnerable population worsened, increasing specifically in some regions (CONAPO, 2010).

Naturally to the lack of growth, by 1996 poverty would be higher than 1994, the food, should reach 37.4% of the population, at 46.9 % capacity and equity in 69% (ENIGH, 1996 table 13). In these circumstances, the federal government developed in the states most extreme poverty, including Oaxaca, Chiapas, Guerrero and Veracruz, a program called “Care Job Space Jobs Program” as a mechanism of indirect attention to increasing poverty. With this strategy, began to be solved the poverty from a strategic approach, albeit with higher operating expenses that affected their efficiency, lack of transparency and results that would demonstrate its effectiveness (Favela and Calvillo, 2003).

For the year 1997, the Education, Health and Nutrition Program (Progresa) was developed. This transfer scheme consisted to increase the income of vulnerable populations. Allowing subjects to support access to basic necessities of the CBA defined since 1988, starting with identifying preferentially to the target population in areas of high and very high marginalization. And through an interagency effort nationwide programs began transferring cash resources (CONPROGRESA 1999) in Mexico.

By 1998 food poverty would be at 33.3 % of capacity in 41.7 % and 63.3 % equity in the population (ENIGH, 1998, Table 12). Therefore, poverty reduction was achieved in all three dimensions, compared to what happened in 1996. And in the same way, at the macro level economic stability by increasing mainly exports reached. Taking as evidenced by the reduction in unemployment to 3.2 % national and achieving stable growth levels by the end of 2000 by the Financial Strengthening Program (Zedillo, 2000).

Considering the effective federal government to Progresa program, starting in 2000 this strategy was strengthened tagged resources to focus on social development; trying to fulfill the commitment of the international attention to the problem of poverty through the Millennium Development Goal on “the fight against hunger and extreme poverty.” This allowed that the changes in social policy and institutional framework to ensure the development of Mexicans in the interests of greater social justice (SHCP, 2001) were consolidated.

As of 2001, the executive headed by the office - in power to administrative matters such as those corresponding to the Ministry of Social Development, to create actions Fox administration (2001-2006) that affect reducing poverty (LGDS , Article 26-32 ) - tried to overcome the income of families living in poverty , through a growing increase in social spending. This led to an increase in the share of federal resources tagged Social Development States and Municipalities. And through the General Law of Social Development (LGDS) in 2004, the Mexican state became the level of social spending on current expenditure (LGDS, Article 20). See Annex A.

According to the Bank of Mexico ( BM ), to the increase in the level of current spending , increased levels of obligations to debt service, which excluded the use of the economic situation in the international oil prices, to the strengthening national competitiveness through physical infrastructure and communications support integration projects and production chains. However, increases in the fiscal deficit required to restrain through
inflation operated from monetary shorts. That is, increased social spending -as a share of public spending- demanded checks from the Bank of Mexico, which increased interest rates, affecting the prospects of economic growth and employment (Bank of Mexico, December 2006).

For the Bank of Mexico (2006, December), during 2001-2006, the evolution of open unemployment in 2000 was 2.6 %, 2.8% in 2001, 3.0% in 2002, 3.4% in 2003, in 2004 to 3.9% in 2005 to 3.7% in 2006 and 3.5% of the population. In this sense, unemployment affected more to the states of Zacatecas, Michoacán de Ocampo, Guanajuato, Morelos and Durango, coinciding with the states with the highest rates of expulsion of migrants (CONAPO, 2010). Thus, the observed instability in employment during this period, revealed a lack of capacity to meet the needs of Mexicans by the elemental and hamper the demonstration of the effectiveness of social policy development as discussed below.


Despite the recognition of equality and fundamental rights that guarantee the means of development between the Mexican People, by the precepts 1st, 2nd, 3rd, 5th, 28th, 31st, 36th, 73rd, 74th, 126th and 134th of the Political Constitution of the Mexican United States, since 1917 (CPEUM, 2010), the level of poverty and inequality in the population continued until the year 2000, as mentioned in the previous section.

Therefore, the great institution of Mexico, as a mean that recognizes freedoms and guarantees minimal resources in Mexican, has been ineffective in ending the most basic conditions such as food shortage. Requiring a regulatory framework that shall assist the improvement of the poor conditions considered in previous identification of deficiencies observed.

Thus, in 2001, in the absence of mechanisms to evaluate the effectiveness of social policy in the context of a nascent democracy -the federal government via the executive, created the Technical Committee on Measurement poverty (CTMP) whose aim was to build a theoretical framework for research on poverty in Mexico, and recognize the number of people in this condition (UNAM, 2009). Starting in this way, the control of social policy and the establishment of criteria's and indicators allowed the recognition of persons in poverty condition in Mexico, from a institutional approach.

It was considered necessary to provide measurement tools for determining the number of poor, the CTMP in 2002, officially defined poverty lines (LP) to quantify and identify the people living in hunger (CTMP, 2002).

However, it was officially in January 20, 2004, when the General Law of Social Development (LGDS) was decreed. And were granted powers to the CTMP to make recommendations to the Executive on existing federal social policy; become to the National Council for the Evaluation of Social Policy (CONEVAL), on August 25, 2005 (LGDS, 2005). Institutionalizing care and evaluation of programs of poverty reduction, through the use of information generated by the National Institute of Statistics, Geography and Informatics (INEGI). Based on income as the first indicator of poverty, aided with other indicators such as average levels of education in the home, access to health services, access to social security, and quality living spaces, access to basic services housing, access to food and degree of social cohesion (Art. 36-38, LGDS).

With the LGDS, the exercise of social rights guaranteed in favor of social equality, through the recognition of minimal resources, which favor the development of Mexicans who have increased vulnerability. And establishing the regulatory framework for health care programs for poverty do not keep the same name and generalize to social
development programs and poverty reduction (Art. 72-79, LGDS) with own operating rules, based on guidelines and criteria established by the CONEVAL (Art. 36, LGDS). However, that LGDS does not define poverty and attributes its definition as a faculty of CONEVAL, states that to address the problem of social development, the total budget allocated to social spending may not be less than the preceding. And it should increase at least in proportion of expected gross domestic product (Art. 20, LGDS) condition that benefiting a dose regressive in the level of dispensing to favor to expenditure associated to poverty attention. Thus, “Progres a –Oportunidades” (2002) as a program with redistributive focus and attention to the problem of poverty, based initially on the analysis of the condition of income - would be subject to ongoing evaluation by CONEVAL and external to the possibility that Federal Government agencies, valued outcomes on poverty in Mexico (Art. 81-82, LGDS).

Taking into account the cross-cutting operation of Oportunidades, the agencies involved and the Secretariat of Public Education (SEP), the Mexican Social Security Institute (IMSS) and the Secretariat of Health (SS) should be referred to in their respective institutional programs, resources for potential beneficiaries in coordination with the Ministry of Social Development (SEDESOL). As well, each of the participating states should consider in its draft budget, the resources necessary for its operation, subject to approval by the Chamber of Deputies for the corresponding fiscal year in which will be incorporate government expenditure projections, to ensure compliance in a timely manner of the goals and objectives of the Program, continuation of comprehensive actions (Rules of Operation Opportunities Program 2005).

Information obtained by state, SEDESOL - through the National Programme Coordination - Oportunidades, should notify the departments and agencies, the number of active families under the goal of care and the number of trainees, the degree school and the amounts allocated to men and women, with the aim that the health and education sectors determine their expenditure forecasts, and the scope of their responsibilities and included in the Project Expenditure Budget of the following year, sending the information to the Technical Committee for their information and approval.

5. CONCLUSIONS

This research article is a means of integration and results by which the problem of measurement, quantification and interpretation of income poverty is demonstrated. Thus, it relates to the conditions prevailing in Latin America, with the context in which the productive integration mechanisms are developed, and makes it clear that economic stability is an important factor for the growth of conditions that benefit the market and therefore, relates to the ability to meet such productive growth.

While the results on poverty, requiring the analysis of economic policy, the strategy of social development and the generation of social justice in the study period the information presented, acknowledges that during the six years from 2000 to 2006, the economic policy was not enough to address the problem of unemployment and achieving macroeconomic stability, hindering improvement and reduced purchasing power of people in poverty.

Accepting compliance with the hypothesis established for this work, which was established as "The results on poverty in Mexico, granted by the CONEVAL (2006) was insufficient to demonstrate improvements in income per capita to access a CBA in the period comprising from 2000 to 2006 and therefore the effectiveness of the policy of social spending. " It was proposed that to demonstrate results on income poverty was due to consider other indicators such as tax revenue collected on income per capita. As a theoretical argument with mathematical demonstration of the effect of changes in income tax taxation is provided.
6. REFERENCES


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