

# **MEXICO: LINKING SOCIAL POLICY AND ECONOMIC INTERVENTIONS**

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**The following slides on Latin America are based on Agricultura y desarrollo en América Latina: Gobernanza y políticas públicas, Panel independiente sobre la Agricultura para el desarrollo de América Latina (PIADAL), Editorial Teseo, Buenos Aires, Argentina, 2013.**

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# **LATIN AMERICA PARADOX**

**(WB Report 2008, De Janvry).**

**Agri growth not pro-poor even in countries with strong ec growth and strong poverty reductions (Brazil,Chile).**

**Structural inequalities explain the meager contribution of agri growth to poverty reduction.**

**Regressive public expenditure in agriculture.**

# **LATIN AMERICA PARADOX (2)**

**Negative results of agri growth related to poverty reduction because:**

**a) most growth linked to activities that generate low employment and bad employment;**

**b) public expenditure very regressive because of strong corporate agriculture lobbies.**

# **TRIPLE FAILURE OF GOVERNANCE**

- **Agri policy is an ensemble of fragmented policies based on particular specific non-public negotiations between interest groups based on strong but exclusionary coalitions, and local and national governments.**
- **Confronting this situation is a clear case of political negotiations rather than only technical discussions or political will.  
WHICH ALTERNATIVE COALITION?**

# PLURALITY OF ACTORS

- **Ministries: Finance, Trade, Agriculture vs Social ministries.**
- **Role of the executive branch.**
- **Legislative branch**
- **Corporate actors**
- **Farmers associations**
- **National NGOs**
- **International NGOs**
- **Multilateral organizations.**
- **“Passive investor” urban population, consumers, urban associations**

# **MAIN POLICY SHORTCOMINGS**

**Agri policy has not been a result of:**

**(a) Open negotiations between all actors;**

**(b) Normal legal channels ;**

**(c) Integrated strategies to cope with poverty, inequality and economic performance.**

# **REFORMING SOCIAL POLICY IN MEXICO**



# **RURAL PUBLIC EXPENDITURE IN MEXICO**

- a) Reduction in absolute terms**
- b) Reduction in non social (productive) subsidies in the overall public expenditure bill,**
- c) Private transfers have represented a huge chunk of the total rural expenditure,**
- d) Reduction in public goods.**
- (f) The “technology” of capturing rents.**

# PUBLIC EXPENDITURE IN AGRICULTURE (MEXICO)

**10% of farmers with highest land concentration access 50-80% of all subsidies:**

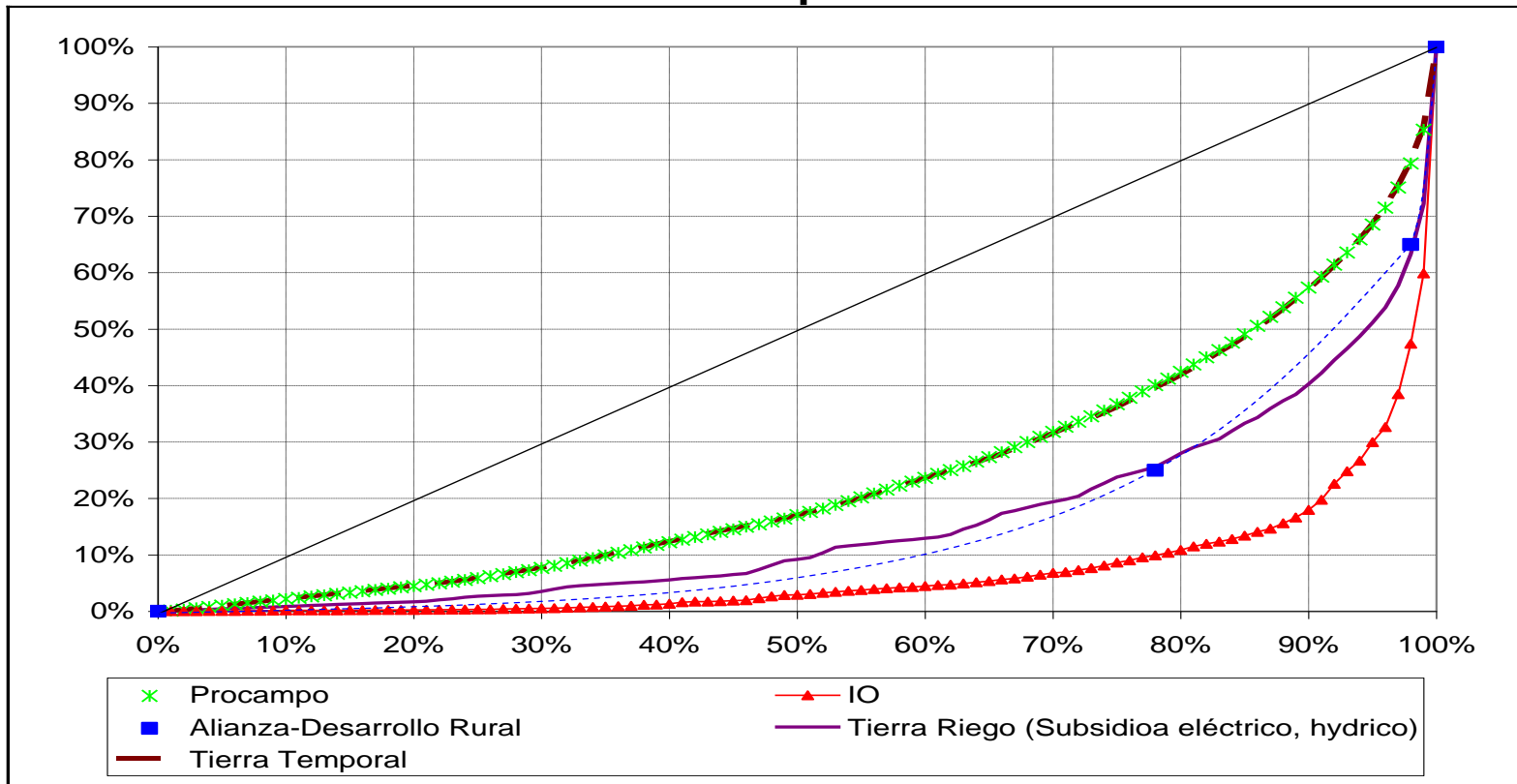
**80% of Ingreso Objetivo (IO);**

**60% of energy and water subsidies;**

**55% of Desarrollo Rural (Alianza para el Campo);**

**45% of Procampo (OECD, 2007)**

Distribución de beneficios entre productores: deciles de tierra



Fuente: bases administrativas de ASERCA.

# **SOME HIGHLIGHTS**

- 1. Poverty reduction or elimination requires enforcement of universal social rights.**
- 2. Public expenditure should be oriented fundamentally to reactivate small production.**
- 3. Productive support to rural landless workers and small farmers.**
- 4. Break budgetary regressive inertia.**

# **CONFRONT THE MEMBRA DISIECTA**

- **CENTRE MUST BE MULTIACTIVITY:  
SMALL FARMING, HANDICRAFTS Y  
SMALL BUSINESSES, NON AGRI  
EMPLOYMENT.**
- **A BASIC SOCIAL PROTECTION FLOOR.**
- **A COMBINED PACKAGE OF PRODUCTIVE  
AND TECHNICAL ASSISTANCE.**
- **PERMANENT TRAINING MECHANISMS IN  
KNOWLEDGES AND ABILITIES.**

# MANAGING RISKS

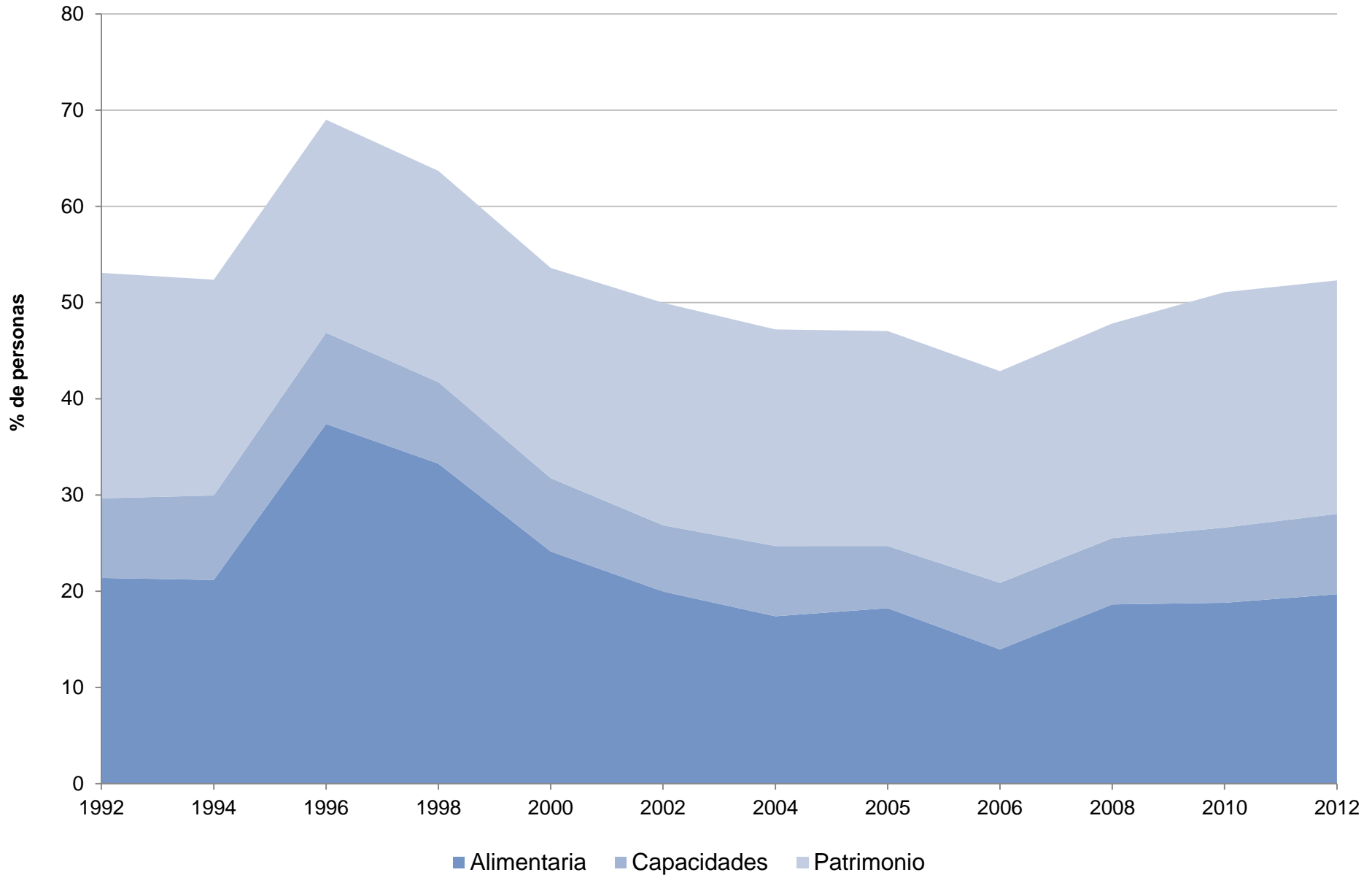
- **CLIMATE**
- **NATURAL RESOURCES: WATER, SOILS**
- **MARKET RISKS**
- **SANITARY RISKS**
- **POLITICAL RISKS**

# **NAME OF THE GAME IS ARTICULATE**

**BRING TOGETHER, ESTABLISH  
BRIDGES:**

- **FRAGMENTED POLICIES**
- **FRAGMENTED ACTORS**
- **FRAGMENTED INSTITUTIONS**

# Income poverty. México, 1992-2012





Oportunidades

Human capital  
Food, health and education  
From pregnancy till 18 yrs old  
5.8 million families in 2012

Minimum social floor  
Nutrition, education, health, housing  
and productive inclusion  
Human rights approach: Garantías  
de audiencia  
Life cycle integral approach:  
emphasis in women and youth  
6.5 millions families by 2018



Prospera



# **PRODUCTIVE TERRITORIES PROJECT**

- **JOINT EFFORT FINANCED BY IFAD, THE CANADIAN DEVELOPMENT COOPERATION AND RIMISP**
- **MAIN PARTNERS IN THE GOVERNMENT: FINANCE MINISTRY, SOCIAL DEVELOPMENT MINISTRY AND THE OFFICE OF THE PRESIDENT.**
- **MAIN EXPERTS: JULIO BERDEGUE, GERARDO FRANCO, GUSTAVO GORDILLO, HECTOR ROBLES, JOHN SCOTT, ISIDRO SOLOAGA AND ANTONIO YUNES.**

# **THREE CENTRAL ASSUMPTIONS**

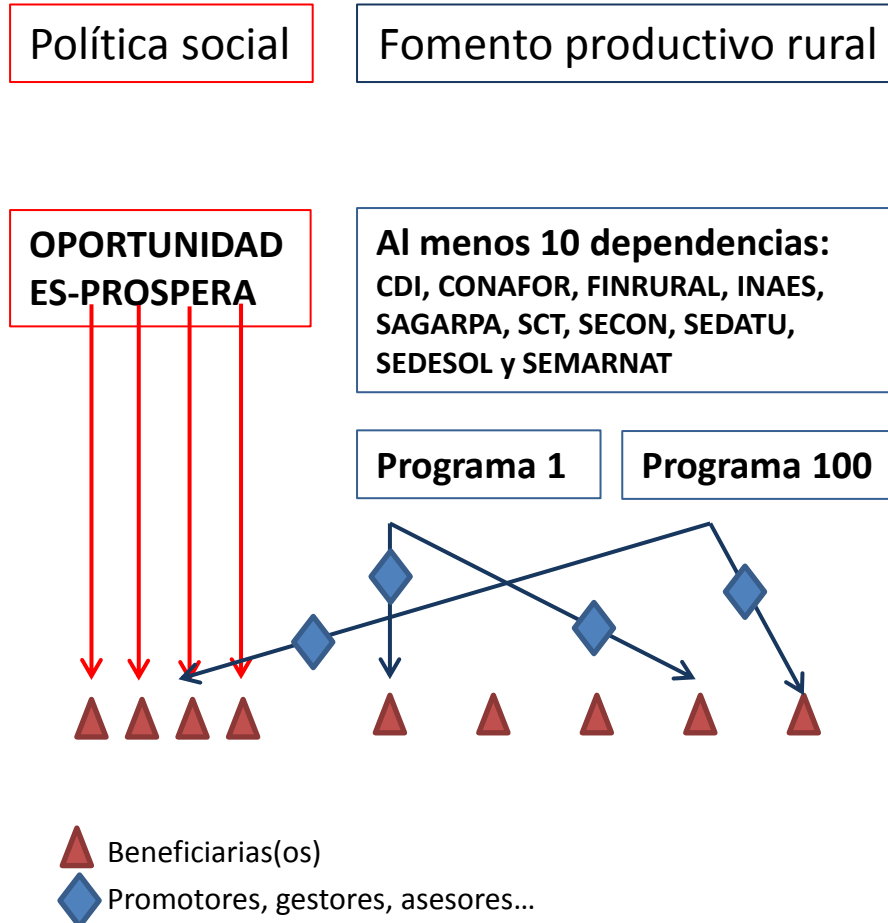
**1. POOR PEOPLE IN THE COUNTRYSIDE HAVE A PRODUCTIVE POTENTIAL THAT HAS NOT BEEN ADEQUATELY TAPPED**

**2. THAT POTENTIAL IS RESTRICTED BY ASSETS, ACCESS TO FINANCING, TECHNOLOGY, SCALE OF ORGANIZATION, MARKETS.**

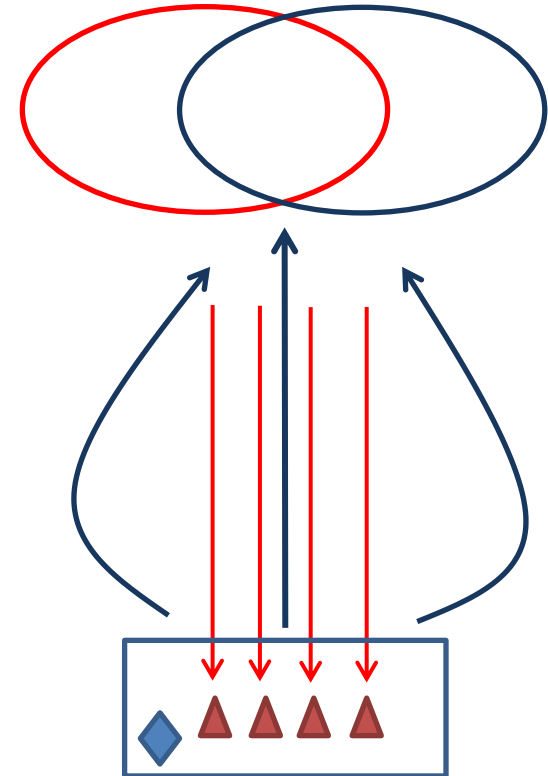
**3. ARTICULATION OF SOCIAL POLICY AND PRODUCTIVE INTERVENTIONS IS A CRUCIAL STEP TO REDUCE OR REMOVE THOSE RESTRICTIONS.**

# THE PILOT PROGRAM

## PRESENT SITUATION



## DESIRED SITUATION



# THIS PROGRAM WILL CONTRIBUTE TO SOLVE THREE INTERLINKED PROBLEMS

- Very slow reduction of rural poverty
- Low growth of agri productivity and especillay of small farmers
- Small quantity and quality of public expenditure channeled to small poor farmers
- Food poverty
  - 1992: 34% (11.7 millons)
  - 2012: 31% (13.6 millons)
- $\Delta$  1980 - 2010 aggregated value per worker in agri (USD constantes)
  - México, 52%
  - Chile, 260%
  - Brasil, 380%
- Double coordination failure:
  - Social policy and productive intervention
  - Components of the productive interventions

# **PURPOSE AND AIM OF THE PROGRAM**

- **PURPOSE: REDUCTION OF EXTREME RURAL POVERTY, INCREASING PRODUCTIVITY, PRODUCTION AND INCOME.**
- **AIMS: HOUSEHOLDS IN PTP SHOULD:**
  - **INCREASE PRODUCTIVITY.**
  - **INCREASE INCOME BOTH AGRI AND NON-AGRI.**
  - **INCREASE FOOD PRODUCTION.**
  - **ENJOY EFFECTIVE ACCESS TO ALL PRODUCTIVE PROGRAMS TO WHICH THEY QUALIFY.**

# **MAIN ASPECTS OF THE PROGRAM**

- 1. MULTIPLIER EFFECT OF ALL TRANSFER PROGRAMS**
- 2. ALL PRODUCTIVE INTERVENTIONS LINKED TO THE SELECTED TERRITORIES AND FAMILIES**
- 3. STRONG INVESTMENT ON LOCAL ORGANIZATIONS.**
- 4. A SYSTEM OF COMMUNITY PROMOTERS AND TECHNICAL ADVISORS SELECTED AND UNDER PERMANENT TRAINING AND EVENTUALLY PAYED DIRECTLY BY THE COMMUNITIES THEMSELVES. “CONVENIOS DE CONCERTACIÓN” IN THE MEXICAN CONSTITUTION.**
- 5. JOINT INVESTMENTS AND INITIATIVE ORGANIZED AROUND PUBLIC GOODS THAT CONTRIBUTE TO REDUCING RESTRICTIONS. PROBLEMS OF SCALE.**
- 6. ARTICULATING DEMAND OF PUBLIC PROGRAMS AND SERVICES.**
- 7. FUNCTIONAL TERRITORIES LINKING SMALL TOWNS AND VILLAGES WITH SMALL AND MEDIUM CITIES.**

# TWO STAGES OF IMPLEMENTATION

- **FIRST STAGE (PILOT):  
LEARNING TERRITORIES.**
- **STAGE TWO (SCALING-UP):**
  - **BEGINNING IN 2015.**
  - **TEN THOUSAND PERSONS IN  
1000 COMMUNITIES IN 20  
COUNTIES IN 5 STATES**
  - **STARTING IN 2016 (OR LATER)**
  - **GRADUAL GROWTH TO 360,000  
PERSONS IN 2018.**

<b>Año</b>	<b>Learning territories (persons)</b>	<b>Scaling up territories (persons)</b>	<b>Total coverage (persons)</b>
<b>2015</b>	10,000	0	10,000
<b>2016</b>	10,000	50,000	60,000
<b>2017</b>	10,000	100,000	160,000
<b>2018</b>	10,000	200,000	360,000

# **CRITERIA TO SELECT MUNICIPAL TERRITORIES, LOCALITIES AND HOUSEHOLDS.**

- **FOCUSED ON THE MUNICIPAL ENTITIES SELECTED TO PARTICIPATE IN THE CRUSADE AGAINST HUNGER.**
- **1.-FUNCTIONAL TERRITORIES 1215 FTS IN FOUR CLASSES: ISOLATED RURAL LOCALITIES, RURAL LOCALITIES, SEMI-URBAN AND URBAN.**
- **2.-AGRICULTURE INTENSITY AT LOCAL LEVEL (AGRICULTURE, LIVESTOCK AND FORESTRY UNITS OF LESS THAN 20 HAS/POPULATION DENSITY).**
- **3.-NUMBER OF FAMILIES IN THE PROSPERA PROGRAMME.**
- **BASED ON 2 AND 3 AND ON THE NUMBER OF EXTREME POOR AND FOOD INSECURITY HHS , STATES AND MUNICIPALITIES WERE RANKED.**



# CRITERIA(CONT.)

- **4.-CRITERIA TO SELECT LOCALITIES: AGRICULTURE INTENSITY>20%, HOUSEHOLDS IN PROSPERA>35, MINIMUM POPULATION BASED ON DEMOGRAPHIC INTENSITY 400 PERSONS IN HIGHLY DENSE STATES (CHIAPAS, OAXACA) Y 800 IN LESS DENSE STATES (EDO. MEX., PUEBLA Y VERACRUZ).**
- **5.-CRITERIA TO SELECT STATES: BASED ON FUNCTIONAL TERRITORIES, NUMBER OF HH IN PROSPERA.**

# Entidades, Territorios Funcionales, Municipios y Localidades

Estado	Centro del TF	Municipios	Localidades	Familias recibiendo Prospera	Total
Chiapas, 4 Territorios Funcionales, 6 municipios	San Cristobal	Zinacantán	7	704	<b>2333</b>
		Teopisca	1	293	
		Santiago el Pinar	1	41	
	Kotolte	Tenejapa	7	436	
	Chamula	Chamula	8	335	
	Pueblo Nuevo Solist	Pueblo Nuevo Solist	3	524	
México, 1 TF, 3 municipios	Atlacomulco	Ixtlahuaca	2	1063	<b>2195</b>
		San Felipe del Progre	6	586	
		Jiquipilco	3	546	
Puebla, 6 Territorios Funcionales, 7 municipios	Tepetzitzintla	Vicente Guerrero	8	636	<b>1941</b>
	Ciudad de Aja	Ajalpan	4	323	
	Tehuacán	Tehuacán	2	139	
		San Antonio Cañada	2	135	
	Atlixco	Atlixco	3	248	
	San Bernardin	San Andrés Cholula	1	109	
Huachinango	Huachinango	4	351		
Veracruz, 3 Territorios Funcionales, 6 municipios	Mecayapan	Soteapan	5	536	<b>2034</b>
		Mecayapan	2	311	
	Altotonga	Jalacingo	6	528	
		Altotonga	5	280	
	Acayucan	Acayucan	2	379	

Nota: sombreado en gris, son los Territorios Funcionales de respaldo (back-up) en caso de ser necesario extender la muestra.  
Falta determinar las localidades en el estado de Oaxaca.

# Territorios Productivos Estado de México

TEMASCALCINGO DE JOSE MARIA VELASCO

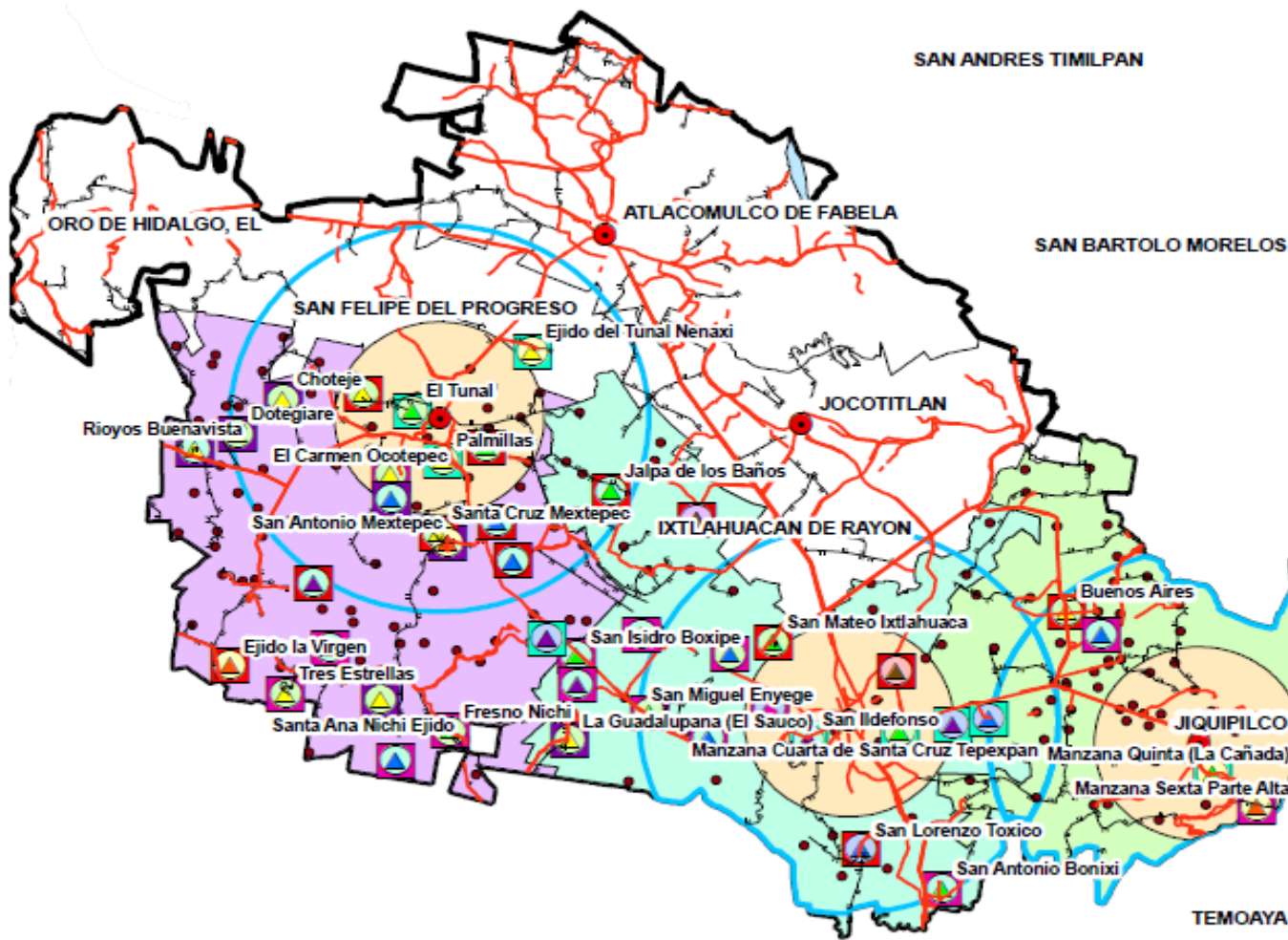
SAN ANDRES TIMILPAN

SAN BARTOLO MORELOS

TEMOAYA

VILLA VICTORIA

0 2.5 5 10 Kilometers



Estado de México



TF Atlacomulco de Fabela



**THANK YOU**

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