

POVERTY AND SOCIAL PROGRAMS
IN MEXICO, 1970–1980:
The Legacy of a Decade

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NECESIDADES ESENCIALES EN MEXICO. Volumes 1–5. By COPLAMAR.
(Mexico: Siglo Veintiuno, 1982.)

THE POLITICAL ECONOMY OF INCOME DISTRIBUTION IN MEXICO.
Edited by PEDRO ASPE and PAUL SIGMUND. (New York and London:
Holmes and Meier, 1984. Pp. 552. \$85.00.)

WELFARE POLITICS IN MEXICO: PAPERING OVER THE CRACKS. By PETER
WARD. (London: Allen and Unwin, 1986. Pp. 152. \$24.95.)

Studies of Mexico's political system have yielded little if any information on state policies affecting the distribution of income or those geared toward redressing social inequality. Such studies have nevertheless indicated that the strategy of state-supported industrialization followed since the 1940s has had a regressive effect on the distribution of income. As a result, the aspirations of the workers and peasants who participated in drafting the 1917 constitution have not been realized in the main.

Recent literature on this subject constitutes a novel and welcome contribution that is helping fill this gap. As such, it represents an indispensable, albeit still imperfect, starting point for analyzing social inequality in Mexico during the decade that preceded what might be called the 1981 crash. Although diverse in their approaches, this group of books can be examined with two general criteria in mind. First, one may ask the "minimum" question of whether they offer useful and heretofore unavailable or highly dispersed factual information. The second, somewhat more ambitious question is whether they also offer a glimpse into the complex and problematic nature of the process of state intervention in the social realm.

COPLAMAR's five-volume *Necesidades esenciales en México* represents five years of research carried out by the multisectoral agency created in 1977 by President José López Portillo's administration. The initial purpose of this research was to establish minimum standards (*míni-*

mos de bienestar) of nutrition, housing, education, and health for the Mexican population. This approach to development was advocated by the World Bank during the mid-seventies.

The ambitious goals set forth in *Necesidades esenciales* may seem to have lost policy relevance, given the difficulties experienced since 1982 in merely maintaining precrisis levels of welfare expenditures. But the goals are still a useful point of reference for future research. Moreover, the sobering effect of the figures presented makes them recommended reading for those who still believe in the redistributive potential of the Mexican model of development.

Alimentación, the volume on food, measures the nutritional “coverage” of the Mexican population on the basis of a household expenditure survey conducted in 1975. After reviewing the available information on the nutritional status of the Mexican population since the 1940s, the report compares minimum nutritional requirements established by the Instituto Nacional de la Nutrición (INN) and those jointly advocated by the Food and Agriculture Organization (FAO) and the World Health Organization (WHO). While the latter recommends minimum daily diets ranging from 2200 calories for women to 3000 for men, and from twenty-nine to thirty-seven grams of protein, the INN set a daily standard of 2750 calories. The authors argue that the latter figure represents more than a minimum daily requirement by including a “nutritional buffer.” But rather than endorse the FAO–WHO figures, the authors propose a new “minimum” that defines a “target population” consisting of all those whose daily diet is below 2082 calories and sixty-three grams of protein. This new standard contradicts an earlier one adopted by COPLAMAR in 1979, which had uncritically conformed to INN’s higher standard.

The only explanation for such an about-face must be the pressing need to “improve” the disastrous nutritional map of Mexico that would result from applying either the INN or the FAO–WHO definition. Even using the lowest possible standard, the picture that emerges is far from encouraging: in 1975, 35.5 million people fell into the “target population”—some 65 percent of the total population (90 percent of the rural population and 19 percent of the urban population). These estimates were made during the crisis in agricultural production that peaked in the mid-1970s. In some regions, the crisis acquired famine proportions, and emergency food distribution programs were required. Neither of these fundamental antecedents appears in the text, leaving the reader unable to grasp the significance of the figures presented.

Page after page of detailed description of the major correlates of malnutrition in 1975 leaves one wondering about the purpose of such seeming quantitative rigor. Even if strict comparability cannot be achieved, the reader would be better off with fewer elementary and

monotonous descriptive statistics and a more concerted effort to relate these data to earlier and later surveys (which are mentioned but not analyzed for their content). A partial comparison with a survey carried out by the INN in 1978 leads to the conclusion that nutritional coverage in that year was slightly worse than in 1975. In 1978, 70 percent of the total population was included in the undernourished target population, which comprised practically the entire rural population.

The rest of *Alimentación* estimates the effort required to lift the target population above the minimum nutritional level by 1982, 1990, and 2000. But no mention is made of the short-lived Sistema Alimentario Mexicano (SAM), an ambitious food-policy scheme that attempted to reduce food inequality between 1980 and 1982.

Educación, the second volume of the COPLAMAR series, elucidates the notoriously poor and contradictory educational statistics provided by the Mexican Secretaría de Educación. This study demonstrates that between 1970 and 1980, when cumulated dropout rates are included, the primary education system that allegedly covered 98 percent of the population in fact had a low and steadily worsening retention capacity. In that decade, the proportion of the population between six and fourteen years of age that completed primary school declined from 10 to 5 percent. The corresponding rate of retention for the first three years of secondary school (also compulsory since 1979) rose from 9 to 12 percent between 1970 and 1980.

On the basis of present attendance, a drop from 14.4 million students in 1980 to some 13.9 million is predicted by the year 2000. This prediction is problematic in at least three respects: first, it takes for granted the population projections of Consejo Nacional de Población (CONAPO);¹ second, it is a straight unidimensional projection that assumes no change in the determinants of school attendance; and third, it contradicts recent findings that the rate of school attendance is inversely related to the number of children in the family, contrary to what promoters of family planning had assumed earlier.² School attendance should therefore increase rather than decrease as population slowly stabilizes toward the end of this century.

The last chapter estimates the additional cost required to make full attendance possible for every child entering the primary school cycle in 1981. In 1980 prices, it would require 3.2 billion pesos (64 million dollars) in 1981; 12 billion pesos in 1985 (240 million dollars); and by 2000, 35.3 billion pesos (710 million dollars). Should the situation of 1980 remain unchanged, however, educational expenditures would represent only a fraction of that amount. But as the authors point out, because school dropout rates in fact reflect the deep inequalities in Mexican society, the state would have to do much more to ensure atten-

dance than simply offer more or better schools. It would have to show some evidence that “education makes a difference,” which in turn implies creating jobs at minimally satisfactory levels of remuneration. Such developments can hardly be predicted on the basis of educational variables alone.

Of the five COPLAMAR volumes, *Vivienda* (the third) exhibits the least-rigorous academic standards. State actions in public housing are summarily dispatched in five pages, barely enough space to name the different existing (and competing) housing agencies. More public housing is said to have been built between 1970 and 1980 than between 1925 and 1970, but no information on that crucial decade is provided. From 1960 to 1970, the housing deficit in Mexico nearly doubled (from 13.7 to 22 million units), growing even faster than the population. It is difficult to grasp the significance of this fact in the absence of comparative figures for previous or subsequent periods or for other Latin American countries. Finally, the reader learns that 88 percent of the population in the 1960s lived in “overoccupied” quarters, while only 12 percent lived in housing considered to satisfy minimum standards. Presumably, a colossal effort would be required to close this gap in housing adequacy. No assessment is made of the rate at which state-sponsored housing programs instituted since 1970 have contributed to that goal.

The fourth COPLAMAR volume, *Salud*, is by far the best of the series. It starts by defining health as a historically grounded biological and social process, determined by standards of living that derive from the social relations of production. In comparison with other Latin American countries, Mexico’s health statistics show that health conditions fall below the country’s corresponding level of development, despite recent improvements in mortality and morbidity rates. The study draws a distinction between “avoidable” and “unavoidable” deaths: avoidable deaths are those resulting from poor living conditions, while unavoidable deaths are all those not related to poverty. Out of 432,000 deaths for 1974 (most of them children), 43 percent could have been avoided if minimum standards of living and adequate access to medical care had been available. One should also add a point often missed in analyses focusing exclusively on mortality: the conditions of the survivors would also have been greatly improved—they would have suffered fewer and less-debilitating illnesses, grown to be taller, and achieved greater mental agility and alertness—in short, they would have come closer to the ideal of physical and psychological well-being defined as *health* in the Alma Ata declaration.³

A chapter on work-related mortality and morbidity shows a surprising increase in morbidity between 1970 and 1978. For example, in 1976, when Mexico was facing an economic crisis leading to the first

devaluation of its currency since 1954, work-related deaths and injuries increased by an astounding 78 percent (from twenty-three to forty-one per thousand).

The chapter on health policies acknowledges that relatively privileged groups have much greater access to health care. In 1978 barely 43 percent of the population supposedly benefited from "nominal coverage" under one of the several social security schemes.⁴ This figure does not include health care offered to the population excluded from social security by the Ministry of Health or by the Instituto Mexicano del Seguro Social (IMSS-COPLAMAR). By contrast, the Ministry of Health includes these schemes to claim coverage of over 80 percent of the population.⁵ The authors estimate that nominal coverage will reach at most 60 percent of the population by the end of this century.

The last chapter estimates the magnitude of the effort required in order to achieve "real coverage" by the year 2000, which is defined as a "unified system fulfilling the requirements of . . . accessibility, responsiveness, acceptability, availability, and continuity" (4:210). Given established patterns of institutional division, inequality in services, limited access and near total disregard of acceptability, COPLAMAR's prognosis is highly utopian. The cost alone would approach the figure presently required to service Mexico's foreign debt. Nevertheless, the cost per capita would still be some 3 percent below the corresponding cost in the United States, where universal coverage is lacking and public health facilities perform far below those of most European countries. The Mexican prediction also implies unification of the health sector (unsuccessfully attempted by the López Portillo administration) and a complete reversal of manpower policies (predicting only 10 percent physicians, and more than half of them general practitioners). The exercise is nevertheless useful in providing a criterion against which to compare actual expenditures.

The last volume, *Geografía de la marginación*, compounds the indicators of education, food, housing, and health by region. The value of such a volume is limited at this point, given the rapid obsolescence of the data on which it is based.

In sum, the information in these five volumes provides a generally useful diagnosis of the situation at a given time and a measure of the gap between minimum and actual standards of living. As an indication of what can be done, however, this set of studies rests on the questionable assumption that while poverty originates in the unequal distribution of resources, the remedy lies in increasing welfare expenditures. The authors show no concern with questions about where such resources would come from and under what circumstances such a policy turnaround would be possible.

The Political Economy of Income Distribution in Mexico is a collection of articles that examines a variety of correlates of income distribution. The editors' intention was to assess the impact of public policy on income distribution. Despite its 1984 publication date, however, the data do not go beyond the seventies, except in the contribution by Reynolds, Ramos, and McCleary.

In the first chapter, Pedro Aspe and Javier Beristain assess the role of the Mexican state in regard to income distribution. They conclude that the failure of successive administrations since the forties to effect any income redistribution was not a conscious policy but the unanticipated consequence of concurrent policies of growth and equity. Why growth got the upper hand is not clear, however. A more generally accepted view is that the Mexican state followed a "growth first" policy, with little regard for equity.

In general, the contributions to this collection share a concern for analyzing policies assumed to be directly or indirectly associated with income distribution. Yet they do not always show where the connection lies or whether any redistribution actually took place. Gil Díaz, for example, claims that the fiscal reform undertaken by the López Portillo administration (of which Díaz was one of the main architects) had a redistributive impact. But he fails to take into account the effects of the disparity between the rate of inflation and wage increases, which was bound to limit its effectiveness except at the lowest rungs of the income distribution.

Nora Lustig shows the hypothetical cost of alternative food redistributive schemes but makes no attempt to evaluate the policies actually pursued (such as CONASUPO's price controls on basic foods or the SAM, which she helped design). Her analysis nevertheless implies that the policy of selected untargeted food subsidies currently followed by the Mexican government (and inherited from previous administrations) is the most inefficient and expensive formula in that it subsidizes middle-class as well as lower-class consumption of food staples. The alternative of introducing a product-specific food-stamp system, which is being contemplated by the de la Madrid administration, would seem to meet her criticism.

Socrates Rizzo leads the reader through a maze of financial and fiscal details on how oil surpluses are absorbed into the fiscal system (a topic of limited value to analysts of social inequality), but he has little to say about their final redistributive destination. A few succinct lines state that surpluses are absorbed by state enterprises, of which only one (CONASUPO) has anything to do with income redistribution. Because oil surpluses are also used to provide cheap energy for industry, and therefore to encourage capital-intensive investments, they are also

bound to have a regressive effect on income distribution. Cheap internal oil also redistributes resources to car owners, who disproportionately belong to the upper percentiles of the income distribution.

Although Paul Sigmund's essay on the regulation of foreign investment provides a good summary of the history of relations between Mexican administrations and foreign investors, it has virtually nothing to say about income distribution. A more interesting approach would be to examine the connection between foreign investment and income distribution by looking at the consistent policy of maintaining low wages and low taxes in order to attract foreign capital.

The study by Clark Reynolds, Raúl Ramos, and Robert McCleary is one of the few in this collection that specifically addresses the problem of the redistributive impact of economic policies (particularly, the impact of trade and export strategies on low-income households). The authors argue that a greater liberalization of trade, migration, investment, and technology transfer would generate more employment for unskilled labor in Mexico, while closed-door policies would restrain the potential of the Mexican economy for growth under conditions of redistribution.

Income redistribution is also the focus of Raymond Hill's contribution on state enterprises, which concludes that the slightly higher wages paid in state-owned enterprises benefit the middle range of the income distribution at the expense of the top, while bypassing the lower sectors altogether. This pattern is also observed in CONASUPO's redistributive impact, which is stronger for the seventh, eighth, and ninth percentiles of the income distribution than for the first three.

Chapters providing good descriptive information on social programs in Mexico are those by Pedro Aspe and Javier Beristain on the distribution of educational and health services and on the evolution of inequality, Richard Moore's on organization and housing policy, and Lozoya Thalman's on social security. Yet these contributions diverge widely in their overall evaluation of the institutional mechanisms described. While Aspe and Beristain conclude that "the educational and health policies have not been corrective and have not diminished the disparity in income, but have, on the contrary, confirmed and reaffirmed these conditions," Lozoya emphasizes the achievements in health care delivery, characterizing the extension of preventive medicine to the whole population as "reaching" the lower-income groups (a suitably vague description). This assessment apparently overlooks the fact that preventive care represents a mere 1 percent of the health budget in Mexico. Likewise, the author's highly optimistic figure of 92 percent as health care coverage is twice as high as that quoted by COPLAMAR, nor is any justification offered for this discrepancy.

Peter Ward's *Welfare Politics in Mexico: Papering over the Cracks*

starts from the ambitious premise that social policies must be understood within their historical and institutional context. Unfortunately, the various pieces of evidence presented fail to make up a convincing whole. The first chapter on the relationship between economic growth and the provision of social welfare deals with all the scholarship on state theory in Latin America and its relation with social policies in fourteen pages. Needless to say, a shopping list is all that can be achieved in so few pages.

The second chapter, "Boom to Bust: Mexico's Recent Economic Development," covers economic history since 1910 in a single page, then it asserts that Mexico has an unequal income distribution (quoting only an unpublished dissertation). Finally, unequal income distribution is linked to economic policy in a beguilingly simple way: a cyclical movement of inflation and deflation is imparted to the Mexican economy because of the alternation between an initial phase of "presidential slate cleaning" and a phase of belated commitment to economic growth in the second half of each *sexenio*. The present administration is therefore merely repeating the deflationary part of the cycle, and de la Madrid "may be more successful than his predecessors at applying the brakes" (p. 20). In a concession to the international context, however, Ward states that the recession of 1973 "contributed to undermine the economic strategy of the Echeverría administration." The task of connecting the events of late 1976 to the debt crisis that erupted in 1981 is left to the reader.

Following a cursory and superficial roundup of disconnected contextual factors, chapter 3 discusses the politics of urban planning. It concludes with a section on the general orientation of social policy over the last three *sexenios*. Chapter 4, "Land Provision: Effective Housing Policy?," offers some interesting, although highly specific, information on urban land tenancy policies between 1971 and 1976. But left undiscussed is INFONAVIT (the Fondo Nacional para la Vivienda Popular), the single most important state effort in public housing during the period. The fifth chapter deals with the policies of urban infrastructure for Mexico City, which traditionally have favored the higher status areas of the city. Despite this fact, expenditures on urban services are uncritically interpreted as "social" expenditures.

The last chapter, on health care and inequality, focuses on the causes of death and illness in Mexico. This conventional approach to health misses the point that in Mexico, children do not die of diarrhea, pneumonia, or measles except in the merely descriptive sense of those terms. They die because they are denied the nourishment and the living conditions that would endow them with a fighting chance against those diseases. It is therefore far more important to focus on the social programs designed to redress the nutritional balance—to provide clean wa-

ter and sewage or to build adequate housing—than to keep an exact count of the causes of death.

Ward presents COPLAMAR (which was created in 1977, and not 1979, as claimed) exclusively as a health care agency. In fact, it was a broad financial scheme that subcontracted a number of welfare programs to other agencies. He also claims that primary health care is needed in Mexico (p. 110) but that it emerged only after 1982 (p. 119), despite the fact that IMSS–COPLAMAR was defined as such since its inception (whether or not it was successful in applying the standards set forth in the Alma Ata Declaration). The program constructed over three thousand first-level care units (not 310, as claimed on page 119), and dozens of rural hospitals. The disappearance of COPLAMAR in 1982 did not involve the discontinuation of the programs it had supported, a point also missed by the author. In the spring of 1985, COPLAMAR came under the more direct supervision of the Ministry of Health and was decentralized along with other health and education programs. This sharp break with established traditions of federal centralization of all public welfare will have consequences for the health and educational status of the Mexican population that are still difficult to assess. But Ward dismisses these reforms as a mere “papershuffling reorganization.”

To be fair, such weaknesses are not exclusive to this book. The other two works reviewed, although generally more accurate and thorough, fail to address the vital connection between public policy, poverty, and social programs that Ward’s book attempts to capture. The fact that the connection cannot be established by merely repeating common assumptions and stating discrete facts about the economy, political arrangements, or single events is amply demonstrated here. The distinctive difficulty and challenge of this kind of analysis lies in juxtaposing the concrete and immediate day-to-day decisions by particular actors with the long-term structural features of society. What is needed to solve this puzzle is nothing short of an understanding of the complex mechanisms through which historical trends, institutional processes, and political decisions are interwoven.

The complexity of this task can be illustrated by the example of social security, a policy dealt with by all three books. They provide a fairly accurate account of what benefits are included in social security in the Mexican context, how much they cost, and who benefits. But do we know why the majority of the population has been excluded from them, or why it took until 1979 to start a far more rudimentary health care system for the “marginals”? To answer such questions, should researchers focus on the period from 1940 to 1946, when the policy was being adopted, or should they select long-range trends, such as import-substitution industrialization, that led to social policies favoring the ur-

ban industrial labor force over the rural population? Would such a focus explain why Mexico was one of the last nations in Latin America to adopt social security? Or would a detailed account of the intervention of specific actors bring us closer to the answer? Is it possible that a single event, such as the 1938 nationalization of oil, may have had more impact on the adoption and the specific institutional form that social security developed than thirty years of recurring demands by labor organizations? All these questions open up new ways of approaching the study of social policy while calling for a unifying perspective that no amount of factual detail can provide.

In the absence of an overall guiding theoretical vision, it is difficult to order and interrelate the factors responsible for the current plight of the masses in Mexico. By the same token, we have no way of looking into the future beyond the facile prediction that things will probably get worse until the end of this decade. The specific ways in which this downward trend will be translated into policy in this particular national context cannot be directly inferred from economic indicators. It is to be hoped that publication of such books as these will stimulate this area of needed research.

NOTES

1. According to the prognosis provided by the Consejo Nacional de Población (CONAPO), Mexico's population will gradually reach a 1 percent net rate of increase by the year 2000. Such an outcome should be considered problematic, however, given the fact that the reduction in birthrate achieved in Mexico since 1974 (when the new population law legalizing birth control was enacted) has resulted primarily from the dissemination of family planning services in the urban areas, which have traditionally been the most receptive and easiest to reach.
2. See T. Paul Schultz, "Demography and Development: New Directions in an Old Field." Paper presented at the Symposium on the State of Development Economics, Progress and Perspectives, Yale University, 11–13 April 1986; and Michael B. Katz and Mark J. Stern, "History and the Limits of Population Policy," *Politics and Society* 10, no. 2 (1980):225–45.
3. The International Conference on Primary Health Care convened in Alma Ata, USSR, in 1978 represents a landmark to the extent that it asserted this definition of health, as opposed to the conventional medical definition as the absence of disease.
4. Social Security in Mexico, which includes health as well as workman's compensation and pension benefits, is offered to private-sector employees by the Instituto Mexicano del Seguro Social (IMSS), to civil servants by the Instituto de Seguridad Social al Servicio de Los Trabajadores del Estado (ISSSTE), by Petróleos Mexicanos (PEMEX) to its employees, and by the armed forces to the military.
5. See "Salud para todos en el año 2000," *Estudios Sociológicos* 3, nos. 5–6 (1985).