

Evaluation Report on Social Development Policy in Mexico 2012



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Evaluation Report on Social Development Policy in Mexico



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National Council for the Evaluation of Social Development Policy

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List of abbreviations and acronyms

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Dependencies, entities and international organizations

ANUIES	National Association of Universities and Higher Education Institutions				
CCINSHAE	Coordinating Committee of the National Institutes of Health and High Specialty Hospitals				
CDI	National Commission for the Development of Indigenous People				
CEDRESSA	Studies Center for Sustainable Rural Development and Alimentary Sovereignty				
CENEVAL	National Center for the Evaluation of Higher Education				
CIEP	Centre for Economic and Budgetary Research				
CINVESTAV	Center for Research and Advanced Studies of the National Polytechnic Institute				
CONACYT	National Council of Science and Technology				
CONAFE	National Council for Educational Development				
CONALEP	National College of Professional Technical Education				
CONAPO	National Population Council				
CONAVI	National Housing Commission				
CONEVAL	National Council for the Evaluation of Social Development Policy				
FAO	Food and Agriculture Organization of the United Nations				
HIMFG	Federico Gomez Children's Hospital of Mexico				
IMSS	Mexican Institute of Social Security				
INEA	National Institute for Adult Education				
INEE	National Institute for Educational Evaluation				
INEGI	National Statistics and Geography Institute				
INMUJERES	National Institute for Women				
INSP	National Institute of Public Health				
ISSSTE	State's Employees' Social Security and Social Services Institute				
OACDH	Office of the High Commissioner for Human Rights				
OECD	Organization for Economic Cooperation and Development				
OIT	International Labor Organization				
PEMEX	Petroleos Mexicanos				
PNUD	United Nations Program for Development				
SAGARPA	Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food				
SALUD	Ministry of Health				
SCT	Ministry of Communications and Transportation				
SE	Ministry of Economy				
SEDESOL	Ministry of Social Development				
SEMARNAT	Ministry of Environment and Natural Resources				
SEP	Ministry of Public Education				
SFP	Ministry of Public Administration				
SHCP	Ministry of Finance				
SRA	Ministry of the Agrarian Reform				
STPS	Ministry of Labor and Social Security				
	United Nations Population Fund				

UNICEF

United Nations Children's Fund

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Programs and Funds

APAZU	Program for Drinking Water, Sewerage and Sanitation in Urban Zones				
APCI	Support Program for Indigenous Communication Projects				
ÉSTA ES TU CASA	Financing and Federal Subsidy for Housing Scheme				
FAEB	Contribution Fund for Basic Education				
FAETA	Contribution Fund for Technological and Adult Education				
FAIS	Contribution Fund for Social Infrastructure				
FAM	Fund of Multiple Contributions				
FAPPA	Support Fund Program for Productive Projects in the Agrarian Nucleus				
FASSA	Contribution Fund for Health Services				
FINAFIM	National Fund to Finance Micro-Entrepreneurs				
FIRA	Trust Fund for Rural Development				
FISE	Contribution Fund for State Social Infrastructure				
FISM	Fund for Municipal Social Infrastructure				
FIUPEA	Fund of Investment for Higher Education Institutions with Evaluation form the National				
	Association of Universities and Higher Education Institutions				
FOMES	Fund for the Modernization of Higher Education				
FOMIX Strengthening of the Scientific, Technological and Innovative Capacities in					
	Entities				
FOMMUR	Fund for Micro Financing of Rural Women				
FONAES	Businesses in Solidarity National Fund				
FONART	National Fund for the Development of Arts and Crafts				
FONCYT	New Fund for Science and Technology				
PyME FUND	Economic Support Fund for Micro, Small and Medium Business				
FOREMOBA	Communities Support Fund for the Restoration of Federally Owned Monuments and				
	Artistic Assets				
IMSS-OPORTUNIDADES	IMSS Program Oportunidades				
JERFT	Young Rural Entrepreneur and Land Fund Program				
OPORTUNIDADES	Oportunidades Human Development Program				
PAPA	Program for the Acquisition of Productive Assets				
CPCC	Climatological Contingencies Attention Program				
PACMYC	Program of Support to Community and Municipal Cultures				
ESP	Employment Support Program				
SPIC	Shelter Programs for Indigenous Schoolchildren				
SPIF	Support Program for Agricultural Insurance Funds				
SPCIS	Support Program to the cultural Infrastructure of the States				

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CPDI	Care Project for Displaced Indigenous People, Urban Indigenous People and Immigrants				
SPWIFE	Support Program for Women's Instances in the Federal Entities				
CPAW	Care Program for Agricultural Workers				
FSP	Food Support Program				
PSP	Productivity Support Program				
CPSI	Care Program for Structural Issues				
RSP	Rural Supply Program				
CPSLC	Care Program for Situations of Labor Contingency				
SMSP	Social Milk Supply Program				
PASPRAH	Program to Support Residents in Conditions of Asset Poverty to Regularize Irregular				
	Human Settlements				
PTAP	Pedagogical Technical Advisor Program				
ECPMA	Employment Creation Program in Marginalized Areas				
HCP	Health Caravan Program				
EIDP	Environmental Institutional Development Program				
PPAD	Program for Priority Areas Development				
QSP	Quality Schools Program				
CCP	Childcare Centers Program to Support Working Mothers				
REP	Rural Education Program				
SSP	Safe School Program				
TEP	Temporary Employment Program				
FTSP	Full Time School Program				
PFEEIE	Program to Strengthen Special Education and Educational Inclusion				
IRFP	Indigenous Regional Funds Program				
BIPIP	Basic Infrastructure Program for the Indigenous People				
PIDEFIMER	Program for the Promotion and Development of Financing for the Rural Sector				
NRP	National Reading Program				
POPIW	Productive Organization Program for Indigenous Women				
PPAMJ	Program for the Promotion of Agreements in Matters of Justice				
PROBAPISS	Support Grants Program for Intensive Practice and Social Service for Seventh and Eight				
	Semester Students of Public Teacher Training Schools				
PROCAMPO	Cropland Direct Support Program				
PROCAPI	Coordination Program for the Support to Indigenous Production				
PRODEP	Plot Development Program				
PRODIAT	Program for the Development of High Technology Industries				
PROFODECI	Program for the Promotion and Development of Indigenous Cultures				
PROIND	Industry Competitiveness Promotion Program				
PROLOGYCA	Competitiveness Program for Logistics and Supply Markets				

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PROMAJOVEN	Support Grants Program for Basic Education to Young Mothers and Pregnant Young				
	Women				
PROMEP	Professor Improvement Program				
PROMIN	Institutional Improvement Program for Public Teacher Training Schools				
PROMUSAG	Program for Women in the Agricultural Sector				
PRONABES	National Higher Education Grants Program				
PRONAFIM	National Program to Finance Micro-Entrepreneurs				
PRONIM	Basic Education Program for Migrants Boys and Girls				
PROSOFT	Program for the Development of the Software Industry				
PROSSAPYZ	Program for the Construction and Restoration of Potable Water Systems and Sanitation				
	in Rural Areas				
PSASA	Subsidy to the Agricultural Insurance Premium				
PTAZI	Alternative Tourism Program in Indigenous Areas				
RHP	Rural Housing Program				
SICALIDAD	Integrated Quality Health System				
SMNG	Medical Insurance for a New Generation				
SNI	National Researchers System				
PI	Popular Insurance				

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Others

AFORE	Retirement Fund Administrators
ASERCA	Support and Services for Agricultural Trading
CADI	Assistance Centers for Early Childhood Development
CAIC	Community Centers for Attention to Young Children
CAUSES	Universal Catalog of Health Services
CENDI	Centers for Children Development
CEI	Early Education Centers
ICD	International Classification of Diseases
IACSS	Inter-American Conference on Social Security
DIF	Integral Family Development
OJF	Official Journal of the Federation
SPE	Specific Performance Evaluation
ENCASU	National Survey on Social Capital
ENIGH	National Survey of Income and Expenditure at Households
ENJO	National Agricultural Workers Survey
ENLACE	National Evaluation of Academic Achievement in Scholar Centers
ENOE	National Occupation and Employment Survey

ENSANUT	National Health and Nutrition Survey
EXCALE	Educational Quality and Achievement Test
PI	Performance Index
SVI	Social Vulnerability Index
HDI	Human Development Index
IEPS	Special Tax on Production and Services
IES	Higher Education Institutions
CONEVAL invento	ry CONEVAL Federal Social Development Programs and Actions Inventory 2010
NCPI	National Consumer Price Index
ISR	Income Tax
LCF	Tax Coordination Law
LGDS	General Law of Social Development
LGE	General Education Law
LGS	General Health Law
LSS	Social Security Law
MCS	Socioeconomic Conditions Module
DSO	Decentralized State Organizations
PASE	Food, Health and Education Program
PEF	Federal Expenditure Budget Decree
GDP	Gross Domestic Product
PISA	Program for International Student Assessment
PND	National Development Plan
PNV	National Housing Program
PSE	Sectorial Program of Education
SICUENTAS	Federal and State Health Account System
SINAIS	National Health Information System
SNDIF	National System for Integral Family Development
UPEAS	Public State and Solidarity Support Universities
UPES	Public State Universities
PAA	Priority Attention Areas

Glossary of terms

Gini coefficient: It is a measure of concentration that summarizes the way in which a variable is distributed (income, for example) among a set of individuals. It varies between zero and one, nearer the coefficient value is to 1, greater is the inequality in distribution; on the contrary, nearer to 0, greater is the equality.

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Serious over-age: Number of students registered in a school grade whose age exceeds two years or more than age normatively established to study the reference grade (INEE, 2009). This indicator is part of a group of three that provides information on the condition the students have in relation with the studied grade and the age. Other indicators are the "percentage of students within the normative age" and the "percentage of students with slight over-age" (INEE, 2009).

Graduation rate: Number of students that graduate from an educational level in proportion to the number of students enrolled to the first school year of such level (INEE, 2009).

Life expectancy at birth: Average number of years a person expects to live at the time of birth, if along his/her life the present prevailing mortality conditions are kept (CONAPO, 2011b).

wellbeing line: Monetary value of a food non food basket of basic consumption.

Minimum wellbeing line: Monetary value of a basic food basket in a particular month.

Programs evaluated. For the purposes of the Evaluation Report on Social Development Policy in Mexico 2012, only the Programs and Actions that were subject to an annual evaluation determined by CONEVAL (Specific Performance Evaluation during 2008-2009, 2009-2010 y 2010-2011; as well as the Consistency and Results Evaluations 2007-2008 y 2010- 2011) are considered evaluated programs. However, it is acknowledged that the entities and dependencies conduct other types of evaluations like design, processes, impact and additional evaluations, among others.

Economically Active Population (EAP): People that during the reference period performed or had an economic activity (employed population) or actively sought to perform one at any time during the month prior to the day of the interview (unemployed population) (INEGI, 2011b).

Serviced population: People who benefit from a program during a tax year.

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Unemployed population: People not employed during the reference week, who actively sought to join an economic activity at any time during the past month (INEGI, 2011b).

Target Population: Population to which a program has planed or scheduled to serve in order to cover the Potential Population and which meets the eligibility criteria established by its regulations.

Employed Population: People who during the reference week performed any type of economic activity being under any of the following situations: working for at least one hour or one day to produce goods or services in an independent or subordinated manner, with or without remuneration; or temporarily absent of his/her work without interrupting its labor relationship with the economic unit. Including: those employed form the primary sector engaged in the production for self-consumption (except for fuel-wood gathering) (INEGI, 2011b).

Potential Population: Total population with a necessity or problem that warrants the existence of a program and which therefore could be eligible for its care

Challenges: It means the design aspects, implementation, management and results that the entities and dependencies can improve due to the fact that they are considered areas of opportunity.

Absorption rate: Absorption rate is the quotient of the number of new students in the first grade of higher education during a specific school year per each hundred of graduates from the precedent educational level of the prior school year. It provides and estimate number of the transit among levels. The usefulness lies in specifying the system's capacity to serve the population who finished the precedent educational level and enrolls higher education (INEE, 2012).



Gross mortality rate: Number of deaths per each thousand of inhabitants during a specific year (CONAPO, 2011b).

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Unemployment rate: Percentage of Economically Active Population (EAP) who is not working, but who is looking for a job (see unemployed population) (INEGI, 2011b).

Child mortality rate: Number of deaths of children younger than one-year old per each thousand of births occurred during a specific year (CONAPO, 2011b).

Net coverage rate: Percentage of students, with normative age, enrolled at the beginning of the school year in an educational level, in proportion to the population with such school-age (INEE, 2009).

Introduction

Despite the progress in various social areas during the last decades, the challenges in terms of social development are urgent in Mexico. This requires a permanent effort from the three levels of Government to improve wellbeing and access to social rights of all the population.

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For several years, the Mexican State decided to have an independent evaluation process of the federal social development policy in order to improve the design, operation, management and how to budget the different instruments of such policy. Specifically, the General Law of Social Development (LGDS) states in article 72 that "the evaluation of Social Development Policy shall be in charge of the National Council for the Evaluation of Social Development Policy".

From the beginning of its operations on 2006, the National Council for the Evaluation of Social Development Policy (CONEVAL) has measured poverty as well as elaborated and coordinated periodic evaluations of policies, programs, goals and actions of the social development policy, as set forth in the LGDS.

At present, 750 evaluations are available coordinated by CONEVAL, which has developed a new measurement of poverty based on the criteria established by the General Law of Social Development, which have been applied on 2008 and 2010 at national, state level and —only in 2010— at municipality level; besides, quarterly indicators have been elaborated which complement the image of the social development. All these evaluation and measurement instruments are sent to the Congress of the Union, the Ministry of Finance, the Ministry of Public Administration, to the departments of the State that belong to the National System of Social Development, as well as to the local governments. Likewise, for the use and knowledge of the citizens, this information is permanently available on the web site www.coneval.gob.mx. The objective of this information is to contribute to the accountability and improve the performance of the social development policy.

The Evaluation Report on Social Development Policy in Mexico 2012 consists of the update and extension of the Evaluation Report on Social Development Policy in Mexico 2011, keeping as main inputs the poverty measurements and the evaluations performed; this Report aims to evaluate what have we achieved and what we

need to achieve in the performance of the social development policy during the last years, particularly between 2008 and 2011, a period characterized by an increase of food prices and the international economic and financial crisis.

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The Report is structured in four chapters. Chapter I presents the evolution of Mexico's economic conditions in short, medium and long term. Chapter II describes the evolution of social development in Mexico; the central attention period considered is the one from 2008 to 2011, based on the measurements of national, state and municipal poverty, as well as on additional social development indicators. Chapter III, in which the social development policy is evaluated, is divided into two parts; in the first part, the set of instruments of public policy are analyzed and, it is enriched with the results from the social development programs classified according to the dimensions with which the measurement of poverty is elaborated. Moreover, the basic features of the universe of programs and actions from the Federal Government integrated in the CONEVAL Federal Social Development Programs and Actions Inventory are described and compared. In the second part the main strengths and challenges of the social development policy are presented; the main subjects analyzed are the dispersion of actions and of social development programs, the distributive incidence and the social expenditure equity, the actions and programs directed to indigenous people, as well as the consolidation of the monitoring and evaluation system in our country, both at federal and state level. Finally, Chapter IV presents the Conclusions on the status of the social development policy in Mexico and recommendations are made to improve it.

Any period of reflection on the social development policy is important in a country that still has so many challenges ahead. This *Evaluation Report on Social Development Policy in Mexico 2012* is a useful instrument of analysis in a time in which the society as a whole and various actors specifically need valuable information that supports the best decisions in the following years and decades, as, for example, what have we achieved and what do we need to improve as a country in terms of social development?





Chapter I Evolution of economic conditions in Mexico

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Chapter I. Evolution of economic conditions in Mexico

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Although traditionally social policy is constituted by programs and strategies to improve the education, housing, health care, social security, environment, hygiene conditions, reduce discrimination or are appointed to the population living in poverty, it is undeniable that what happens to the economic growth, labor market and inflation —particularly when this is relate with food—, determines in a broad sense the social development policy of any country. The evolution of poverty, and several times inequality, are also closely related with the evolution of the economic status of a country. For this reason, policies to promote the economic growth and stability, and to protect the most vulnerable population from the effects of macro-economic crisis, are as important as or more important than the traditional instruments of social policy. In other words, the economic environment is part of the social development context of the entire nation. For this reason, this Chapter analyzes the evolution of the economic variables more relevant for our country in the last years.

Thus, the international economic crisis analysis started on 2008 and that of the food prices volatility which Mexico has suffered since 2007, as well as the long term performance of the Mexican economy, will provide a better understanding of the evolution of the main social development variables of the country.

I. Gross Domestic Product

Graph 1.1 shows that Mexico had maintain positive economic growth rates since 2005, but from the fourth quarter of 2009 economic growth was negative, which took place in the context of the economic crisis that affected the global financial system in that period. Gross Domestic Product (PIB) of 2009 dropped 6.0 per cent compared to the prior year. Growth rates were positive again as of 2010, they reached and annual rate of 7.8 percent in the second quarter of that year and since then they remain positive, but at a lower level. Opposite to what happens in some countries of Europe, the Mexican economic recovery, after the financial crisis of 2009, has been sounder.



Graph 1.1 Quarterly Growth of Gross Domestic Product. Mexico, first quarter of 2005 to second quarter of 2012 (Percentage variation compared to the same quarter from the prior year)

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Source: elaborated by CONEVAL with information from INEGI.

It is important to acknowledge that the evolution of global economy, particularly that from North-America has an important influence on the fluctuation in Mexico's economic growth. The uncertainty about the international economy for 2013 could be translated again in a lower economic rate.

II. The labor market

One of the greatest effects of the performance of the economy on the Mexicans is through the labor market. In Mexico, labor market is characterized by low productivity levels, exiguous salaries for a high percentage of the population, lack of competitiveness and a very high rate of informality. Another distinctive element is, in contrast to other countries from the Organization for Economic Co-operation and Development (OECD) and despite the fact that during the last years it increased, the rate of unemployment remains low, although there is a high level of under-employment (8.3 percent average in 2008-2011). Likewise, the number of new jobs created between 2008 and 2012 has not been sufficient for

the young people who year after year enter to the labor force find an option in the formal market.

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Graph 1.2 describes one of the most relevant variables in this subject: the quarterly evolution of the unemployment rate open between 2005 and 2012. The average rate between 2005 and the second quarter of 2008 was 3.6 percent; however, for the third quarter of 2008 this increased to 4.2 percent, 0.7 percentage points compared to the immediately preceding quarter. From the third quarter of 2008 and up to the third quarter of 2009 it shown a growing tendency, with the greater contraction in employment on the third quarter of 2009, when it reached an unemployment rate of 6.2 percent.

Even when unemployment rates decreased after 2010 compared to the one observed on the third quarter of 2009, these have remained greater to those registered before 2009. In the first and second quarter of 2012 it was 4.9 percent, while for the same quarter of 2007 it was 4.0 percent.





Source: elaborated by CONEVAL with information from ENOE-INEGI.

It is important to highlight that although during 2010 and 2011 quarterly rates of economy growth have been greater than those observed during the crisis, the recovery of labor market has been slower; hence unemployment rate is greater now than the one observed during the financial crisis.

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Chart 1.1 Jobs created, lost and net jobs according to the jobs registered in the IMSS, Mexico, 2006-2011

Year	Jobs created	Jobs lost	Net jobs	
2006	806,819	-302,822 503,997		
2007	861,005	-331,791	529,214	
2008	415,100	-444,689	-29,589	
2009	337,390	-509,103	-171,713	
2010	959,221	-226,842	732,379	
2011	811,384	-199,832	611,552	
Source:	CONEVAL calculations	based on the	dynamic cubes IM	SS, available at

http://www.imss.gob.mx/estadisticas/financieras/Pages/cubo.aspx



Graph 1.3 Jobs registered in the IMSS, Mexico, February 2006 to June 2012

III. The effect of growth on food prices

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The increment of food prices has impacted on the purchasing power of labor income as of the third quarter of 2008. Graph 1.4 shows the annual variation of the food basket price (the minimum wellbeing line of poverty measurement) for the rural and urban geographical scope at current prices.¹

Graph 1.4 Evolution of minimum wellbeing line value and the National Consumer Price Index percentage variation compared to the same month of the prior year, Mexico, January 2005—July 2012



Source: Elaborated by CONEVAL with information from INPC, reported by BANXICO. Estimates with the NCPI based on the second two-weeks of 2010.

¹ Rural scope refers to locations with less than 2,500 inhabitants and the urban scope to locations with more than 2,500 inhabitants.

It is observed that before April, 2010, the increment of the food basket price was greater than the average inflation, which reduces the buying power of income. During the first months of 2012 food prices volatility returned to the prior-crisis levels; however, as of June they increased again to levels similar to those of 2009. Due to the fact that wages in general are adjusted with average inflation, each time the increase of food prices is greater to inflation, there is an important loss of purchasing power of income compared to food.

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Graph 1.5 Per capita labor incomes, Mexico, 2005-2012 (pesos first quarter 2005 deflated with food basket costs)



Source: Elaborated by CONEVAL with information from ENOE-INEGI.

The evolution of both, the economy and food prices had an important effect on the actual labor income in the country. On graph 1.5 it is observed that the actual value of the labor income (deflated with food price index) sharply decreased by mid 2008 and, although it was stable during 2011, it has not recover its prior-crisis level. Undoubtedly, this indicator will significantly decrease after the second quarter of 2012 due to the severe increment of the minimum wellbeing line value observed in June (graph 1.4).

IV. Long term Mexican economic growth

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In the prior section it was observed that the circumstances in 2008-2009 of the international financial crisis and food prices volatility were the main causes of the reduction of purchasing power of labor income in Mexico In terms of employment, a recovery of unemployment rate took place during 2010 and 2011, but its level could not be the same as before the crisis. This is, although an overall recovery is observed in different economic indicators, this has not been stable nor sufficient to return to the situation registered before 2008.

Graph 1.6 Comparison of Mexico's per capita Gross Domestic Product with six countries, 1950-2010



Source: Historical Statistics of the World Economy, Maddison and International Monetary Fund (2012).

Note: Graph is expressed in Geary-Khamis dollars (also known as international dollar or PPP-Purchasing Power Parity dollar) of 1990.

To fully understand the evolution of Mexico's economic conditions, it should be also considered in the long term scene. In this view, GDP's annual average per capita growth of the country from 1990 up to now was only 1.2 percent, which contrasts with historic growth rates between 1940 and 1980; besides, according to the National Survey of Income and Expenditure at Households (ENIGH), the current average labor income in the country has not grew between 1992 and 2010.

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If the 1950-2010 period is considered and the information is compared with the information from other countries with a GDP similar to that of Mexico in 1950 (graph 1.6), it is observed that Mexican economy has neither have a good performance compared to these nor has improved enough in the long term. During this period, GDP's annual average per capita growth was only two per cent, which contrast with rates clearly greater from countries like Chile, Spain, South Core or Ireland. If instead of two per cent, growth would have been of three percent in that same period, in 2010 Mexico's GDP per capita would be 25,219 dollars instead of 14,151 dollars that we had that year;² this is, the average income level of Mexicans would have been in 2010, 78 percent higher than the one we had and probably poverty would be much lower to the one we have today.

Not only current financial crisis or the increase to food prices have been responsible of the fact that the actual income is not greater in Mexico (and that poverty is high), it has also been the slow economic growth in long term which has marked Mexico's economic history of the last three decades. Likewise Mexico's conditions could not be improved if deep economic changes are not performed to bring about the increase of productivity, investment, creation of more formal jobs and of better quality, as well as the increase of actual wage in a systematic and maintained manner. Likewise, improvement of other variables, like stability of prices —specially food prices— could benefit the maintained increase of income's purchasing power, by presuming likewise a greater dynamism of nominal wages. On the other hand, it is important to acknowledge that an achievement of economic policy in the last two decades has been the maintenance of overall stability of prices by means of a sustainable fiscal policy and an independent monetary policy. Recent increase of food prices (and energy prices) is mainly caused by external factors. However, it is possible and necessary to implement effective policies to protect must vulnerable population against prices variability, as targeted transferences or subsides conditioned to these contingencies. Social development policy and economic policy should be part of an integral development policy.

² These figures refer to dollars converted to the purchasing power parity. Per capita GDP in dollars without this adjustment was 9,522 in 2010.





Chapter IIEvolutionofdevelopment in Mexico

Chapter II. Evolution of social development in Mexico

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In order to evaluate the social development policy it is necessary to analyze first the evolution of the most important indicators affecting wellbeing and access to the rights, two essential elements. To that end, this Chapter describes the poverty level in 2010 and the dimensions that constitute such estimate, as well as the change in comparison with 2008. Likewise, the poverty is shown per federal entity and municipality, the poverty levels for different vulnerable groups and the evolution of other additional variables for social development is described, besides those strictly related with poverty.

I. Poverty in Mexico, 2008-2010

On July 29, 2011 CONEVAL, in compliance with its legal order, presented the results of the poverty measurement in 2010 by federal entity and for the country as a whole, based on the information generated by the National Statistics and Geography Institute (INEGI).³

According to the General Guidelines and Criteria for the Definition, Identification and Measurement of Poverty (articles fourth to seventh), issued by CONEVAL and published in the Official Journal of the Federation (DOF) on June, 2010, the definition of poverty considers the population's life conditions from three aspects: economic welfare, social rights and territorial context.

The aspect of social wellbeing covers the necessities related with goods and services that the population can purchase with the income. Measurement takes into consideration two elements: a) population with income below the minimum wellbeing line and b) population with income below the wellbeing line.⁴ The aspect of social rights is integrated by population's deprivation in the exercise of its right to social development. As established by the General Law of Social Development (LGDS) this aspect includes the following indicators of deprivation related with

³ National Survey of Income and Expenditure at Households (ENIGH) 2010 and Socioeconomic Conditions Module (MCS) 2010.

^{4 &}quot;The wellbeing line makes possible to identify the population that does not have enough resources to acquire the goods and services it requires to meet its needs (food and non-food). The minimum wellbeing line enables the identification of the population that, even when using all its income to purchase food, it cannot acquire the essential to have an adequate nutrition" (CONEVAL, 2010a: 40). Taking June, 2012 as reference, the wellbeing line was calculated for the urban scope in 2,296.92 pesos per person and in 1,467.34 pesos for the rural one. For its part, the minimum wellbeing line was calculated for the same month in 1,101.45 pesos per person for the urban scope and in 782.89 pesos per person for the rural one.

rights: access to health services, access to social security, access to basic services in dwelling, quality and spaces of the dwelling, educational gap and access to food.

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The aspect of territorial context includes elements that go beyond the individual aspect (which may refer to geographical, social and cultural characteristics among others), like those related with social cohesion, which is approached through the measurement of inequality.

The results shown as follows refer to the population living in poverty, whose income are not sufficient to acquire the goods and services required to meet its needs and, in addition, presents privation in at least one of the social deprivation indicators.

Indicators		Mexican United States					
		Percentage		Million People		Average Deprivation	
	2008	2010	2008	2010	2008	2010	
Poverty							
Population living in poverty	44.5	46.2	48.8	52.0	2.7	2.5	
Population living in moderate poverty	33.9	35.8	37.2	40.3	2.3	2.1	
Population living in extreme poverty	10.6	10.4	11.7	11.7	3.9	3.7	
Population vulnerable due to social deprivations	33.0	28.7	36.2	32.3	2.0	1.9	
Population vulnerable due to income	4.5	5.8	4.9	6.5	0.0	0.0	
population not living in multidimensional poverty and not vulnerable	18.0	19.3	19.7	21.8	0.0	0.0	
Social deprivation							
Population with at least one social deprivation	77.5	74.9	85.0	84.3	2.4	2.3	
Population with at least three social deprivations	31.1	26.6	34.1	29.9	3.7	3.6	
Indicators of social deprivation							
Educational gap	21.9	20.6	24.1	23.2	3.2	3.0	
Deprivation due to access to health services	40.8	31.8	44.8	35.8	2.9	2.8	
Deprivation due to access to social security	65.0	60.7	71.3	68.3	2.6	2.5	
Deprivation due to quality and spaces of the dwelling	17.7	15.2	19.4	17.1	3.6	3.5	
Deprivation due to access to basic services in dwelling	19.2	16.5	21.1	18.5	3.5	3.3	
Deprivation due to access to food	21.7	24.9	23.8	28.0	3.3	3.0	
wellbeing							
Population with income below the minimum wellbeing line	16.7	19.4	18.4	21.8	3.0	2.7	
Population with income below the wellbeing line	49.0	52.0	53.7	58.5	2.5	2.2	

Chart 2.1 Incidence, number of people and average deprivation for the poverty indicators, Mexico, 2008-2010

Source: Estimates from CONEVAL based on the CS-ENIGH 2008 and 2010.

Note: Estimates of 2008 and 2010 use the expansion factors adjusted with the final results from the General Census of Population and Housing 2010, estimated by INEGI.

Population living in poverty increased to 46.2 percent in 2010, which represented 52 million people (chart 2.1). Compared with 2008, this represented an increase of 3.2 million people. However, it should be highlighted that during this same period, the average deprivation number of people living in poverty decreased from 2.7 to 2.5 and that extreme poverty remained in 11.7 million people between 2008 and 2010.

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Increase of the number of people living in poverty was the result of the increase of people with deprivation in the access to food (4.2 million) like the one of the population with low income (population below wellbeing line increased 4.8 million and the population below the minimum wellbeing line increased 3.4 million people between 2008 and 2010).

Despite these results, poverty did not extend in the same magnitude that the reduction to the Gross Domestic Product in 2009, due to the fact that this period (2008-2010) the basic coverage of education, access to health services, quality and spaces of the dwelling, basic services in dwelling and social security, particularly the coverage of the elderly increased, factors that constitute part of the poverty measurement. The efforts of the social development policy have contributed to a greater coverage of basic services for the population.

The indicators of social deprivation in the country are examined next; their level in 2010 is presented, its change compared to 2008 and other additional indicators of social development.

A) EDUCATIONAL GAP

In 2010, educational gap raised to 20.6 percent, which represents 23.2 million people (chart 2.1). This indicator records a reduction of 1.3 percentage points compared to 2008, which is equivalent to approximately 900 thousand people ceased from being in educational gap between these two years, and a decrease of 2.6 percent compared to 1992 (chart 2.2). The reduction was mainly among the population between 6 and 15 years-old, as decrease of the gap was lower among adults. Entities with the lower decrease of educational gap were Chiapas, Michoacán, Guerrero and Oaxaca.

Another way to analyze the performance in the education field is through indicators of teaching quality. Among these, the results of international standardized tests like those from the *Program for International Student Assessment* (PISA) offer a contrast point with other nations and in relation with the self performance of the country along the time (chart 2.2).⁵ The first record of

⁵ The exam evaluates the student's level in reading comprehension, mathematical reasoning and knowledge in sciences. It should be pointed out that the PISA test is designed to be applied every three years: it emphasizes each time an area of

Mexico in this test was in 2000 and it shown that —in average — national students' grade in mathematics was 387 points, 38 under the average achieved by nonmember nations of the Organization for Economic Co-operation and Development (OECD). This result placed Mexico in the position 9 of 13 non-member nations of such international organization. In 2009, Mexico improved its result to reach 419 average points in the same test; this is 32 more points than 10 years before. The rift with the result reached by other non-member nation of the OECD reduced to 17 points and the country was in the place 16 of 32.⁶

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Graph 2.1 School attendance per age group at national level and in the poorest 20 percent of the population, Mexico, 1990-2010



Note: School attendance means the percentage of children in each age range that attends school.

knowledge (reading, sciences or mathematics). One of the consequences of this procedure is that, in a strict sense, the results reached by a country in an area are only comparable in the years in which they received such emphasis. This is, "only the comparisons based on the scales of the competences that constitute the main area of evaluation in a specific cycle are reliable" (INEE, 2010: 145). In this sense, the sole possible comparison is, until 2010, the one of the reading area (which already completed two application cycles, 2000 y 2009). Regarding mathematics, the results of the test conducted in 2012 are needed in order to be able to make the comparisons.

⁶ It is important to stress the recent debate on the comparability of the grades on mathematics of this test and therefore we should be cautious when interpreting these figures.

Another important indicator is school attendance per normative groups of age; this is, according to the ages in which it is supposed that children and young people should be in school (chart 2.2). In 2010, at national level, lower levels were among those of 15 years-old or above (66 percent for young people between 15 and 17 years-old, 28 percent for those between 18 and 25 years-old). Children with the age in which they should attend Elementary school had the greatest level (98 percent among the children between six and 11 years-old).

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Distribution of school attendance among the 20 percent of the population with a lower income followed a similar tendency to that of the nation's population, but with lower levels of attendance (graph 2.1). The rift among these and the national level was more pronounced in the age group of the ones older than 15 years-old, where the difference is 15 percentage points. The lowest discrepancy was in the group of six to 11 years-old, where it barely reached 1.5 percent.

Children between three and 17 years-old who attended school and were part of the 20 percent of the population with lower income increased between 1992 and 2006.

The most marked variations were at most early ages: attendance of children between three and five years-old was of 40.7 in 1992 and of 86.2 percent in 2006, while that of young people between 15 and 17 years-old passed from 28.3 to 51.8 percent during those years. However, from 2006 there has not been evidence of new improvements in the attendance level, which reflects an effect of the recent economic crisis.

B) ACCESS TO HEALTH SERVICES

31.8 percent of the total population of the country presented deprivation of access to health services in 2010, which is equivalent to almost 36 million people; a lower figure compared to that recorded in 2008 of 40.8 percent, which is equal to 44.8 million people. This advance is largely due to the growth of enrollments to the *Popular Insurance*. Population enrolled to *Popular Insurance* and *Medical Insurance for a New Generation* was of 53.3 million in 2011; 8.5 million more than the registered in 2010 when the whole enrolled population amounted to 44.8 million (refer to *Consistency and Results Evaluation 2011-2012*).

Another way in which the reduction of deprivation of access to health services can be observed is through the indicators of chart 2.2. Life expectancy at birth is a synthetic indicator expressing the average number of years a person is expected to live from his/her birth according to the mortality conditions of the estimation year. In 2011, life expectancy at birth was 75.6 years (CONAPO, 2011a); this figure is 0.5 more years than the one in 2008 and almost four years more than the one registered in 1992.

In the case of mother mortality, between 1990 and 2009 an important reduction is observed, but the goal set for 2015 is still far from being reached as part of the *Millennium Development Goals*, which is 22 deaths per each 100 thousand live births. It should be pointed out that the dynamic of change observed in recent years in this indicator makes difficult to foresee the fulfillment of the planed goal (graph 2.2).⁷

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In the preventive subject, according to the *National Health and Nutrition Survey* (ENSANUT) 2006, obesity has increased in a very important way since late 80's. The obesity level among Mexican people represents a public health threat.



Graph 2.2 Mother Mortality Ratio, Mexico, 1990-2010

Source: elaborated by CONEVAL based on the Information System of the Millennium Development Goals.

⁷ In this regard, the Strategic Evaluation on Mother Mortality in Mexico 2010 can be consulted (CONEVAL, 2012b). Available at, http://web.coneval.gob.mx/Informes/Evaluacion/Mortalidad%20materna%202010/INFORME_MORTALIDAD_ MATERNA.pdf

Likewise, in the education subject, despite the favorable increase in the coverage of basic services, the quality and effective access continue to be important challenges.

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C) ACCESS TO SOCIAL SECURITY

The number of people deprived of access to social security in 2010 increased to 60.7 percent of the total population of the country, equivalent to 68.3 million people; this level is four percentage points below the one observed in 2008. In 2010, this was the greatest social deprivation in the country.

Although social security refers strictly to that of the entitlement in formal institutions mainly financed by worker-employer contributions, such as the *Mexican Institute of Social Security* (IMSS) or the *State's Employees' Social Security and Social Services Institute* (ISSSTE), the State has made an effort to serve the non-insured population through non-contributory social protection programs.⁸ Thus, the indicator of households without coverage of social programs targeted to the elderly or social security is another way to give an account of the social security coverage in the country (chart 2.2). Between 2008 and 2010 this indicator decreased just over four percentage points at national level and almost 10 percentage points between the people that constitute the group with the lowest income in the country. This decrease is due to the increase of the percentage of elderly people covered by non-contributory retirement pension programs and with the support of social programs. For example, it was observed that between 2008 and 2010 the program *70 y Más* doubled its coverage from one to two million, providing service to almost 50 percent of its potential population.

For 2012 the universal coverage for adults above 70 years-old or over who did not have a pension was announced through the program 70 y Más.

⁸ Non-contributory programs are those financed with general taxes, they usually have redistributive outcomes.


Graph 2.3 Percentage of households without coverage of social nor social security programs, Mexico, 1992-2010

Source: Estimates from CONEVAL based on the ENIGH.

Note: It includes households without support from PROCAMPO and Oportunidades, those where no member has Popular Insurance and where the head of household is not entitled to medical services as an employment benefit.

In the long term, between 1992 and 2010, the percentage of households in this situation reduced to almost 30 percentage points (graph 2.3).

D) QUALITY AND SPACES OF DWELLING

In 2010, the percentage of people deprived of quality and spaces of dwelling increased to 15.2 percent of the total population of the country, which is equal to 17.1 million people. Comparison with 2008 shows a reduction of 2.5 percent, this is 2.3 million people. This reduction is due, to a large extent, to the reduction of dwelling with dirt floors and, to a lesser extent, to the decrease in the number of the ones who lived in overcrowded dwellings, as well as in dwellings with ceiling and walls of weak material.

E) BASIC SERVICES IN DWELLING

In 2010, 16.5 percent of the total population lacked of access to basic services in the dwelling, which corresponds to 18.5 million people; these figures show a reduction in comparison to 2008 in 2.6 million people, which represent a reduction of almost three percent. This result is mainly linked to the increase of dwellings with access to water and drainage.

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F) ACCESS TO FOOD

Incidence of population with deprivation of access to food was of 24.9 percent in 2010, 3.2 percentage points more than 2008. This was the sole social deprivations that increase in 2010, 4.2 million people more than in 2008, which means that the percentage of people that report having changed their diet or that a member of the family did not eat enough any day due to economic problems increased.

This result is closely related to the evolution of the purchasing power of income. If this decreased between 2008 and 2010, a reduction in the access to food can be also expected during the same period.

G) ECONOMIC WELFARE

The methodology to measure poverty includes two income thresholds: the first one is the wellbeing line, which is defined by the sum of the food and the non-food basket costs; the second threshold is the minimum wellbeing line exclusively equivalent to the food basket cost.

These lines enable to distinguish the percentage of people with insufficient income to meet their basic needs.

Between 2008 and 2010, the percentage of people with an income below the wellbeing line⁹ raised three points at national level. Likewise, the percentage of people with income below the minimum wellbeing line¹⁰ grew 2.7 percentage points (CONEVAL, 2011r).

⁹ Taking August, 2010 as reference the wellbeing line was calculated for the urban scope in 2,114 pesos per person and in 1,329 pesos per person for the rural scope.

¹⁰ Taking August, 2010 as reference, the minimum wellbeing line was calculated for 2010 in 978 pesos per person for the rural scope and in 684 pesos per person for the rural scope.

In urban areas the percentage of people with an income below the wellbeing line was 45 percent in 2008 and reached 48 percent in 2010, while in rural areas passed from 63 to 66 percent (CONEVAL, 2011r).

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Observing the evolution of income in the long term, it is found out that between 1992 and 2010 (based on the ENIGH), the total net actual income per person remain constant (maybe even with a marginal reduction). This is in line with a GDP's average annual growth per person of only 1.2 percent between those years.

The aforementioned implies that it will be difficult to reduce poverty if the policies to increase the actual income of the population are not implemented. Evolution of labor market has direct effects on the dimension of income in the multidimensional poverty measurement. Its reduction will result to a large extent, of the improvement to the labor market and, in a more general manner, of the economy capacity to reach adequate levels of maintained and stable growth.

It is also important to highlight that the re-distributive role of the fiscal system for taxes and transfers to modify the market income-households' income available ratio. In purely accounting terms, the main monetary transfers s (*Oportunidades* and *PROCAMPO*) enable a part of the population with low income to reach the minimum wellbeing line.

H) SOCIAL COHESION

Social cohesion is one of the indicators established by the LGDS (General Law of Social Development) to be considered in the definition, identification and multidimensional poverty measurement. This shows the importance that such law grants to context factors and to social interaction in the definition of the population's quality of life.





Source: estimates from CONEVAL based on the MCS-ENIGH 2008 and 2010. Note: Gini coefficient is calculated with the total net income per person used in the multidimensional poverty measurement by income used in the ENIGH. This indicator is maintained calculating by comparability with such income from 1992 to 2010.

There is no consensus on the concept of social cohesion and, therefore, nor on how to measure it. However, it is possible to regard it as an element from the social context that gives account of the environment in which social processes take place which include or give origin to poverty. Indicators used by CONEVAL to turn observable this concept are the Gini coefficient, the degree of social polarization¹¹ or the perception index from social networks.¹²

Graph 2.4 shows the evolution of Gini coefficient (with total net income per capita). This indicator decreased from 0.528 in 2008 to 0.499 in 2010.

Chart 2.2, shows the total income ratio between the tenth and the first deciles, which presented a reduction from 27.3 to 25.2.

¹¹ Social polarization is defined as how the equal distribution of population into two poles of the marginalization scale in a specific space. The Marginalization Index from CONAPO is used for its calculation.

¹² Perception index from social networks is defined as the perception degree that people aged of 12 years-old or more have about the difficulty or ease to have the support of social networks in hypothetical situation.

Dimonsions	19	1992 2000 2006 2008		08	2010					
Dimensions	Poorest 20%	National	Poorest 20%	National	Poorest 20%	National	Poorest 20%	National	Poorest 20%	National
EDUCATION School attendance per age groups (%) ¹										
Children between 3 and 5 years-old ^a	40.7	62.9	69.5	85.2	86.2	93.6	64.1	69.5	66.6	71.9
Children between 6 and 11 years-old	88.3	93.9	93.3	96.6	96.3	98.0	97.0	98.3	96.8	98.3
Children between 12 and 14 years-old	69.2	82.4	82.3	88.9	88.5	92.4	86.6	91.5	85.8	91.6
Children between 15 and 17 years-old	28.3	51.0	35.5	58.4	51.8	65.9	52.9	65.0	50.6	66.3
People between 18 and 25 years-old	5,6	20.1	9.0	24.9	8.5	25.7	12.2	25.8	12.0	27
Quality of education										
Average in PISA test of Mathematics in Mexico ²				386.8		404.2		N/A		419.0 [2009]
Average in PISA Mathematics test of non- member nations of OECD				425.1		427.0		N/A		436.3 [2009]
Mexico's place in comparison with non- member nations of OECD in the PISA test				9 of 13		18 of 26		N/A		16 of 32 [2009]
HEALTH										
Life expectancy (in years) ³		71.7		73.9		74.8		75.1		75.6 [2011]
Child mortality rate (death of children under one year old per each thousand births) ³		31.5		19.4		16.2		15.2		14.2
Mother Mortality Ration (deaths per each 100 thousand births) ⁴		86.4		72.6		60.0		57.2		51.5
ENVIRONMENT										
Percentage of occupants in dwellings where charcoal or wood-fuel is used to cook ^b		23.4 [1990]		17.2		16.1		15.6		16.6
Percentage of national surface covered by forest and jungle $^{\circ}$		35.3 [1993]		34.4 [2002]		N/A		34.0 [2007]		N/A
SOCIAL SECURITY										
Percentage of households without coverage of social nor social security programs ⁵	89.1	69.3	**	**	38.8	50.1	31.0	43.9	22.3	39.5

Chart 2.2 Additional indicators of social development in national population and the poorest 20 percent,* Mexico, selected years.

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Chart 2.2 Additional indicators of social development in national population and the poorest 20 percent,* Mexico, selected years (continuation).

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Dimensions	19	92	20	000	20	006	20	800	2010		
Dimensions	Poorest 20%	National									
Percentage of underweight prevalence in children under 5 years-old											
Percentage of height prevalence in children under 5 years-old											
Percentage of height prevalence in children under 5 years-old in indigenous people											
Percentage of emaciation prevalence in children under 5 years-old											
Percentage of overweight prevalence in women from 20 to 49 years-old											
Percentage of obesity prevalence in women from 20 to 49 years-old											
SOCIAL COHESION											
Inequality (Gini coefficient)											
Ratio between the total income of the tenth and first deciles ⁶											
EQUAL OPPORTUNITIES											
Percentage of women in the Chamber of Deputies											
Percentage of women in the Chamber of Senators											
DISCRIMINATION											
Percentage of discrimination against women, homosexuals, indigenous people, handicapped, religious minorities and the elderly ⁷											

- * The poorest 20% corresponds to the first quintile. Quintiles were constituted using the total net income per capita.
- ** There is no data for this year due to the fact that the ENIGH 2000 does not report coverage information about Oportunidades.
- years-old children.
- b. The value reported for 1992 is obtained from the National Population and Housing Census 1990, the other ones are obtained from the Information System of the Millennium Development Goals
- c. Information System of the Millennium Development Goals
- d. All these indicators correspond to the National Health and Nutrition Survey.
- 1. School attendance: it is the percentage of children in each age range that attends school.
- 2. PISA is an aptitude test applied to a sample of students between 15 and 16 years-old which are not in elementary school from the non-member nations of OECD.
- 3. Demographic indicators, 1990-2050, CONAPO.
- 4. Information System of the Millennium Development Goals
- 5. It includes those households without support from PROCAMPO and Oportunidades programs, those in which no member has Popular Insurance and where the head of household is not entitled to medical services as an employment benefit.

- 6. Measurement of income corresponds to the net income per person used in the multidimensional poverty measurement by income. Note: Gini coefficient is calculated with the total net income per person used in the multidimensional poverty measurement by income used in the ENIGH. This indicator is maintained calculating by comparability with that income from 1992 to 2010.
- a. The reported value for 1992, 2000 and 2006 only includes 5- 7. Percentage of people in one of those groups that declared they had suffered an act of discrimination.

Sources:

- · Estimations from CONEVAL based on the ENIGH 1992, 2000, 2006, 2008 and 2010.
- INEGI, Basic Tabulated, National Population and Housing Census 1990, 2000 and 2010.
- PISA 2006: Science Competences for Tomorrow's World. OECD. PISA 2009.
- First Survey on Discrimination in Mexico, 2005. SEDESOL and CONAPRED.
- · Information System of the Millennium Development Goals
- System for the analysis of education statistics. SEP.
- INEGI, Tabulated from ENE and ENEO (second quarter of the corresponding
- vear).
- Rivera Dommarco J and Col, Nutrition and poverty: sustained public policy, 2008.
- National Health and Nutrition Survey (ENSANUT).
- National Health Information System
- CONAPO, Mexican Republic: Demographic indicators, 1990-2050.

II. Poverty in the federal entities

Chart 2.3 shows multidimensional poverty measurement per federal entity. States where poverty increased in relative terms during 2008-2010 were Baja California Sur (9.5 percentage points more than in 2008), Colima (7.3 percent increase), Sonora (6.5 percentage point increase) and Baja California (5.7 percent more than in 2008). On the other hand, entities where poverty increased the most measured in amount of people were Veracruz (600,000), Guanajuato (309,000), Chihuahua (255,000), Oaxaca (247,000) and Baja California (218,000).

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Extreme poverty changed relatively little in all the country, but increases in Estado de Mexico (214,000 people), Veracruz (183,000 people), Jalisco (43,000 people), Yucatán (35,000 people) and Querétaro (32,000 people) stand out.

On the contrary, entities that showed reduction of population living in poverty were Coahuila (reduction of five percentage points compared to 2008, equal to 106,000 people), Morelos (reduction of 8.6 percent, 5.3 percentage points less compared to 2008, equal to 73,000 people) and Puebla (reduction of 3.7 percentage points between 2010 and 2008, equal to 127 people).

Extreme poverty had a greater reduction in Puebla (170,000 people), Michoacán (98,000 people), Chiapas (72,000 people), Guerrero (69,000 people) and Hidalgo (61,000 people).

	Poverty							Moderate Poverty						Extreme Poverty				
Federal Entity	Perce	ntage	Million	People	Depri	vation	Perce	entage	Million	People	Depri	vation	Perce	ntage	Million	People	Depri	vation
	2008	2010	2008	2008	2010	2008	2008	2010	2008	2010	2008	2010	2008	2010	2008	2010	2008	2010
Aguascalientes	37.8	38.2	431.3	454.2	2.0	1.9	33.7	34.6	384.7	411.7	1.8	1.8	4.1	3.6	46.6	42.5	3.5	3.3
Baja California	26.4	32.1	799.5	1,017.5	2.1	2.2	23.0	28.9	696.8	917.8	2.0	2.0	3.4	3.2	102.7	99.7	3.4	3.4
Baja California Sur	21.4	30.9	127.9	199.4	2.3	2.3	18.8	26.3	111.9	169.8	2.1	2.0	2.7	4.6	16.0	29.6	3.6	3.6
Campeche	45.4	50.0	362.8	413.1	2.6	34.7	38.0	277.0	313.9	2.2	2.2	10.7	12.0	85.8	99.2	3.8	3.7	
Coahuila	32.9	27.9	876.9	770.4	2.0	1.9	29.8	25.0	792.9	690.0	1.8	1.7	3.2	2.9	84.0	80.4	3.4	3.4
Colima	27.4	34.7	173.1	226.6	1.9	2.0	25.9	32.6	163.3	213.0	1.8	1.9	1.5	2.1	9.8	13.6	3.3	3.6
Chiapas	77.0	78.4	3,573.4	3,777.7	3.1	2.9	41.4	45.6	1,920.9	2,197.1	2.5	2.2	35.6	32.8	1,652.5	1,580.6	3.9	3.8
Chihuahua	32.4	39.2	1,083.5	1,338.4	2.6	2.1	25.7	32.6	861.6	1,112.5	2.1	1.8	6.6	6.6	221.9	225.9	4.2	3.7
Federal District	28.0	28.7	2,453.6	2,525.8	2.2	2.1	25.8	26.5	2,265.5	2,334.1	2.1	2.0	2.1	2.2	188.0	191.6	3.5	3.5
Durango	48.7	51.3	780.3	840.6	2.5	2.2	37.3	41.2	597.7	673.9	2.1	2.9	11.4	10.2	182.6	166.7	3.7	3.6
Guanajuato	44.2	48.5	2,365.0	2,673.8	2.5	2.3	36.3	40.5	1,941.1	2,228.6	2.3	2.1	7.9	8.1	423.9	445.2	3.6	3.5
Guerrero	68.4	67.4	2,282.3	2,286.4	3.4	3.2	37.0	38.6	1,236.3	1,309.2	2.8	2.6	31.3	28.8	1,046.0	977.2	4.1	4.0
Hidalgo	55.0	54.8	1,423.3	1,466.2	2.8	2.5	39.9	42.5	1,032.5	1,136.3	2.4	2.2	15.1	12.3	390.8	330.0	3.7	3.6
Jalisco	36.9	36.9	2,646.8	2,718.3	2.3	2.2	32.5	32.0	2,327.4	2,356.0	2.1	2.0	4.5	4.9	319.4	362.2	3.6	3.6
Mexico	43.9	42.9	6,498.8	6,533.7	2.6	2.5	37.0	34.8	5,473.0	5,293.7	2.4	2.2	6.9	8.1	1,025.8	1,240.0	3.7	3.6
Michoacán	55.6	54.7	2,384.7	2,383.6	3.0	2.7	40.4	42.1	1,735.4	1,832.4	2.6	2.4	15.1	12.7	649.3	551.2	4.0	3.7
Morelos	48.9	43.6	849.4	776.2	2.4	2.3	41.0	37.4	712.5	666.6	2.2	2.0	7.9	6.2	137.0	109.6	3.5	3.6
Nayarit	41.8	41.2	441.1	449.0	2.2	2.2	35.7	33.6	376.8	366.0	2.0	1.9	6.1	7.6	64.4	83.0	3.6	3.8
Nuevo León	21.6	21.1	971.1	986.1	2.3	2.0	19.0	19.3	853.7	899.0	2.1	1.8	2.6	1.9	117.4	87.1	3.6	3.4
Oaxaca	61.8	67.2	2,310.4	2,557.5	3.5	3.0	34.1	40.5	1,274.8	1,543.9	3.0	2.4	27.7	26.6	1,035.6	1,01	.5	4.2
Puebla	64.7	61.0	3,661.1	3,534.1	3.0	2.7	46.4	46.1	2,627.2	2,670.3	2.6	2.3	18.3	14.9	1,033.9	863.8	3.9	3.8
Queretaro	35.4	41.4	618.8	760.1	2.3	2.2	30.1	34.6	525.4	634.3	2.1	1.9	5.3	6.9	93.4	125.8	3.7	3.6
Quintana Roo	34.0	34.5	420.3	463.2	2.5	2.2	27.1	29.8	334.9	399.7	2.2	2.0	6.9	4.7	85.4	63.5	3.7	3.6
San Luis Potosí	51.2	52.3	1,296.6	1,353.2	2.8	2.5	36.0	37.6	911.2	972.8	2.3	2.1	15.2	14.7	385.4	380.4	3.8	3.7
Sinaloa	32.5	36.5	886.2	1,009.9	2.5	2.2	28.0	31.4	764.4	869.1	2.3	1.9	4.5	5.1	121.8	140.8	3.8	3.6
Sonora	27.3	33.8	705.1	902.6	2.4	2.4	22.9	28.6	593.0	763.2	2.2	2.1	4.3	5.2	112.1	139.4	3.7	3.8
Tabasco	53.8	57.2	1,171.0	1,283.7	2.4	2.5	40.7	46.2	885.4	1,036.4	2.1	2.2	13.1	11.0	285.7	247.3	3.6	3.6
Tamaulipas	34.2	39.4	1,083.0	1,290.3	2.2	2.1	29.2	33.8	924.8	1,109.1	2.0	1.9	5.0	5.5	158.2	181.2	3.5	3.6
Tlaxcala	59.8	60.4	677.5	710.8	2.3	2.1	50.9	51.2	577.2	602.2	2.1	1.9	8.9	9.2	100.3	108.6	3.6	3.4
Veracruz	51.3	58.3	3,855.0	4,454.8	3.1	2.8	35.3	40.1	2,651.7	3,068.3	2.7	2.3	16.0	18.1	1,203.3	1,386.4	4.0	3.7
Yucatán	46.7	47.9	887.7	937.0	2.7	2.4	38.5	38.1	731.5	746.1	2.4	2.1	8.2	9.8	156.1	191.0	3.8	3.8
Zacatecas	50.4	60.2	740.3	899.0	2.3	2.1	40.9	49.8	600.6	743.3	2.0	1.9	9.5	10.4	139.7	155.7	3.6	3.5
Mexican United States	44.5	46.2	48,837.8	51,993.4	2.7	2.5	33.9	35.8	37,163.1	40,280.4	2.3	2.1	10.6	10.4	11,674.7	11,713.0	3.9	3.7

Chart 2.3 Multidimensional poverty measurements per federal entity, Mexico, 2008-2010

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Source: Estimates from CONEVAL based on the CS-ENIGH 2008 and 2010.

Note: Estimates of 2008 and 2010 use the expansion factors adjusted with the final results from the General Census of Population and Housing 2010, estimated by INEGI.

III. Poverty in Mexico's municipalities

In December, 2011 CONEVAL presented poverty measurement at municipality level for 2010. In 1,003, municipalities, 75 percent of the population or above is living in poverty (most of these are small municipalities, with high percentages of people speaking and indigenous language and with rural locations).

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In only 190 municipalities of the country, half of the population is concentrated living in poverty (these municipalities are urban and highly populated).

Among the main results by specific social deprivation the following can be mentioned:

- 93.4 percent of the total municipalities have over 50 percent of its population without access to social security.
- 48.0 percent had more than 50 percent of its population deprived of basic dwelling services.
- 17.1 percent had more than 50 percent of its population without access to health services.
- 9.2 percent had more than 50 percent of its population deprived of quality and spaces of the dwelling.
- 4 percent presented percentages above 50 percent of its population deprived of food.
- 3.5 percent had more than 50 percent of its population with educational gap.

Map 2.1 the ten municipalities with the higher percentage of population living in poverty are represented.

Map 2.1 Ten municipalities with higher percentage and ten with lower percentage of population living in poverty, Mexico, 2010

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Source: Estimates from CONEVAL based on the sample from the XII General Census of Population and Housing and the MCS-ENIGH 2010.

Municipalities with higher percentage of population living in poverty were San Juan Tepeuxila, Oaxaca (97.4); Aldama, Chiapas (97.3); San Juan Cancuc, Chiapas (97.3); Mixtla de Altamirano, Veracruz (97.0); Chalchihuitán, Chiapas (96.8); Santiago Textitlán, Oaxaca (96.6); San Andrés Duraznal, Chiapas (96.5); Santiago el Pinar, Chiapas (96.5); Sitalá, Chiapas (96.5) and San Simon Zahuatlan, Oaxaca (96.4) (map 2.1).

The foregoing shows that the challenge to eradicate municipal poverty is double: to reduce the rural poverty in small and dispersed municipalities, as well as to reduce urban poverty, which has a greater weight in population volume.

IV. Social differentiation in Mexico

Poverty has a differentiated effect in several social groups. The purpose of this section is to characterize the distribution of poverty and of the indicators of deprivation in some vulnerable groups. Socio-demographic variables like age groups (under 18 years-old and above 65 years-old), population living or not in

Priority Attention Areas (PAA) and the population is distinguished for being or not part of an indigenous group.

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A) LIFE-CYCLE STAGE

Graph 2.5 shows the distribution of the distribution of the population in vulnerable groups and age groups. 45.7 percent of the elderly was living in poverty in 2010, which is equal to 3.5 million people ages 65 or above; 0.7 more percentage points than in 2008, which is equivalent to 300,000 elders.

The percentage of the population under 18 years-old living in poverty was 53.8 in 2010, equivalent to 21.4 million children and young people; this is the group with the highest percentage of poverty in the country. It is important to state that between 2008 and 2010, poverty and extreme poverty of children and adolescents under 18 years-old it did not increase.

Graph 2.5 Population's distribution according to the poverty status in the country for selected groups, Mexico, 2010



Source: Estimates from CONEVAL based on the MCS-ENIGH 2010.

It is important to highlight that a recent paper elaborated by CONEVAL and UNICEF (*Poverty and social rights of boys and girls and adolescents in Mexico, 2008-2010*) states that during the biennium 2008-2010, while poverty at national level increased 3.2 million people, in the framework of the economic crisis and volatility of food prices, poverty of the age group under 18 years-old did not change neither extreme poverty.

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This is because, although children and adolescents were affected by the income problem and deprivation of food, the progress of the basic coverage of health, education and dwelling services managed to compensate the economic issue.

The foregoing shows that even though there are significant challenges for the population aged less than 18 years, public policies have helped to improve their situation, in what regards a greater coverage of basic services.





Source: Estimates from CONEVAL based on the CS-ENIGH 2008 and 2010.

B) RESIDENT OR NOT AT AN PAA

The Priority Attention Areas (PAA) are those territory units with the highest social gap index or marginalization, as well as the highest levels of incidence and number of people living in food poverty or extreme poverty.

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The PAAs are annually defined by the Ministry of Social Development based on the results of social deprivation indicators and data on poverty generated by CONEVAL.

Graph 2.5 shows that 77.8 percent of those living in PAAs are living in poverty; this is a total of 13.6 million people living in such condition. When comparing to 2008, it is observed that 2.5 percent more of the people living in a PAA is living in poverty, notwithstanding the absolute amount of people is the same.

C) SPEAKER OF AN INDIGENOUS LANGUAGE

The proportion of indigenous language speakers living in poverty reached 79.3 percent in 2010 (the highest among the groups considered in this section), 3.4 points higher than in 2008, this is, 100,000 poor additional indigenous in the two-year period. Although there has been an important progress in basic coverage, for both those living in a PAA¹³ and the indigenous people,¹⁴ the double global crisis started in 2007-2008 (of food prices and financial) seems to have impacted the income of the whole population, which contributes to the increase of poverty of the people speaking an indigenous language between 2008 and 2010.¹⁵

V.Final comments

During the last twenty years, the evolution of poverty moved forward following two different paths with different results. On one hand, social policy played an

¹³ The percentage of people living in a PAA with access to health services decreased from 52.2 in 2008 to 34.5 percent in 2010, the one of people deprived of quality and spaces for dwelling passed from 43.8 in 2008 to 34.7 in 2010 and the one of people deprived of access to basic services in dwelling went from 55.3 to 48.5 percent.

¹⁴ The percentage of people speaking an indigenous language deprived of health services went from 52.8 percent in 2008 to 37.2 percent in 2010, that of people deprived of quality and spaces for dwelling reduced from 50.8 in 2008 to 42 in 2010 and that of people deprived of access to basic services in dwelling went from 54.3 to 50.6 percent.

¹⁵ The percentage of population speaking an indigenous language with an income below the minimum wellbeing line increased from 45 to 52 percent between 2008 and 2010, while the percentage of the ones that had an income below the wellbeing line increased from 77 to 88.3 percent during such years.

important role in the increase of the coverage of basic services such as education, access to health services, quality and services for dwelling.

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However, and in spite of the foregoing, there still are important challenges in the subject matter of services' quality, particularly in the subject of health and education, in order to effectively access to those fundamental rights. In the case of income, this has not made an adequate progress in the last decades. Economic crisis of 1995, the slowdown at the beginning of 21st century, as well as the increase in food prices since late 2007 and financial crisis of 2009, have caused a hardly grown of the actual income per capita in Mexico during the last two decades.

Effective reduction of poverty is materialized only if coverage and quality of basic services, as well as income are substantially improving.







Chapter III Evaluation of social development policy

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Chapter III. Evaluation of social development policy

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In the prior chapter, the evolution of poverty and other relevant indicators on social development in Mexico during the recent years were analyzed. In this chapter, the purpose is to present a diagnosis of different answers of public policy to face the challenges of social development described in prior chapter.

The analysis is focused in the evaluations coordinated by CONEVAL conducted to particular programs or to specific policies. At the beginning, in the section "Social Dimensions", Social Protection in Mexico understood as the set of institutional support provided to households facing risks that affect, at certain points of their life, their level of consumption or income, is examined. Risks analyzed are those related with the lack of access to health services, unemployment and underemployment, orphanage, handicap and old age, as well as having an income below the economic wellbeing line. The objective is to identify if the set of institutional support are integrated and if they contributed to lower the materialization of social risks in household in the context of the crisis in 2009.

Next, in this same section the evaluations related with the programs are covered, according to their link with some dimensions of multidimensional poverty measurement (income, education, food and dwelling), this in order to relate the challenges mentioned in the prior chapter with the public policy answers of the Mexican government.

Finally, in the second part, in section defined "Cross-cutting Themes", social development policy is studied regarding the multiplicity of programs available, their distributive incidence, the evolution in the field of institutionalization of evaluations, and an in-depth study is conducted of the particular case of social development policy for the indigenous people.

FIRST PART. SOCIAL DIMENSIONS

In this chapter a report on the results of different dimensions of social development policy related with social rights in Mexico during 2008-2011 are presented. The purpose is to show the existing problems, as well as the progress and challenges of the government instruments to pay attention to them.

With this purpose, basic features of a range of social protection instruments aimed at meeting different households' risks, as well as the universe of Programs and Actions from the Federal Government integrated in the CONEVAL Federal Social Development Programs and Actions Inventory (CONEVAL Inventory) are described and compared in a systematic way. Among these, the analysis of a subset of programs that were subject to Specific Performance Evaluations (EED) in 2010-2011 and to Consistency and Results Evaluations (CRE) between 2011 and 2012, is emphasized.

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Thus, first section examines the social protection in Mexico; next, the situation and programs targeted to economic welfare and income support are discussed; in the next section the main difficulties and results of the programs related with educational aspects are presented; then the problematic and instruments related with the access to food are described; and, finally the features of the problems and the instruments used to improve the access and dwelling quality are examined.

In order to achieve a structured comparison among the dimensions directly related with social rights and multidimensional poverty measurement (income, education, food and dwelling), each heading, one per dimension, is divided into the same sections. In the first section, a diagnosis of the problem situation is presented; then the programs identified that pay attention to each dimension are discussed; in the third section such programs are characterized in terms of evolution of their expense in 2008 and 2011;¹⁶ the results of the programs are shown next and finally Conclusions are presented. Moreover, as an additional heading, in sections on dwelling, education and food, key budgetary indicators of funds from Branch 33 are contrasted with those from the corresponding multidimensional poverty measurement and some of the most important findings on the *Strategic Evaluation on Branch 33* are emphasized.

¹⁶ The first step of the analysis of the expenditure executed by the social development programs performed in the following sections was conducted following this general procedure: first, the functional group to which the programs constitute part (social development, economic development or governments) was indicated and then the function to which most of these correspond to was established (the number of functions changes depending on the functional group). Annex I shows a diagram with the organizational structure of the government's functions.

The educational programs expenditure was contrasted with the expenditure aimed to the budgetary function of education from the social development functional group; the expenditure of housing programs was placed in relation with the expenditure aimed to urbanization, dwelling and regional development, the latter two from the social development functional group.

In the case of food dimension, grouped programs were contrasted with the function of social care from the social development functional group, since it is there where the Public Account classifies them.

The set of economic wellbeing programs were contrasted with the economic development functional group, as most of them are part of such group.

The anti-poverty programs are mostly part of the social care function. The exception is *Oportunidades* program which also receives resource form the education and health function. For this reason, in order to offer a reference point that allow to emphasize the importance of this group of programs, the resources executed by anti-poverty programs are contrasted with the social care function, although the resources for this programs come from three functions (social care, education and health) due to *Oportunidades* program.

The main information sources used are the *CRE*, the *EED*, the *Integral Performance* and *CONEVAL Federal Social Development Programs and Actions Inventory.* For the section of expenditure the Federal Public Treasury Account is used. Likewise, the diagnosis and strategic evaluations of *Social Protection in Mexico*, *Branch* 33 *in social development in Mexico: evaluation of eight public policy funds* and *Food security dimensions are used. Nutrition and Provision Strategic Evaluation.*

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I. Social Protection

The increase of food prices and the international financial crisis generated in the United States affected key indicators of Mexico's economic development like Gross Domestic Product (GDP), unemployment rate and employment income, among others, from 2009 (see chapter I).

In a large extent, due to this crisis, and despite the progress in numerous indicators of social development (like dwelling, education and health), in 2010 poverty increased in comparison with 2008. This happened due to the increase in the number of people deprived of access to food and individuals with an income below the wellbeing Line (see chapter II). However, it is important to highlight that extreme poverty did not change.

Federal Government and the Legislative Power undertake actions to face the adverse economic context and, particularly, for this not to affect the consumption and expenditure structure of vulnerable Mexican households. Among these initiatives are the increase of the budget and extension of key social programs' coverage (*Oportunidades* program, *Food Support, Social Insurance* and *Temporary Employment*, among others), as well as the creation of new outputs in some of them ("Vivir Mejor" from *Oportunidades*, program, for example). It can be also mentioned the modifications to social security systems, like for example, to allow unemployed people to withdrawal limited amounts from their retirement pension accounts.

However, in terms of design, these measures were insufficient to protect the most vulnerable people. Although the programs achieved important results (see section of Programs and Actions results from this chapter III and Annex IV), their actions did not contain the increase of poverty largely due to specific characteristics of this double international crisis, together with the decrease of workers' labor income

as well as the employment of Mexican people in the United States and its impact on remittance transfers.

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The crisis underlined the lack of instruments to protect the most vulnerable people against these conjectural risks. Except for the *Temporary Employment Program*, which resources have been recently limited, the main transference programs (*Oportunidades* program, *PROCAMPO* program) are not designed to give support to the population in case of current economic contingencies. Finally, due to its design (contributory financing with relatively high costs), and given the economic inequality prevailing in Mexico, social security systems (and largely labor law mainly applied to formal employees) leave unprotected most of the workers with low income and with the most precarious labor conditions. Even for insured population, these systems do not include unemployment insurances (In spite of the recent reform to retirement fund costs).

Population groups who suffered most the crisis in Mexico were the ones living in urban areas and borderline with the United States, most of them with formal jobs. The moderate effectiveness of most of the social protection instruments used to face the adverse context is a consequence, on one hand, of their target to face structural problems (integration poverty breakage), and on the other, they are aimed, in first place, at those living in rural areas and informal workers. Social policy programs aimed at vulnerable population who face adverse economic situations (temporary decline of the income due to unexpected events which put at risk the standard of living in medium and long term) and living in urban areas have less instruments, have less resources, face greater difficulties to reach their Target Population and are capable to serve a lower number of beneficiaries.

This does not mean that the rural challenge in terms of social protection is minor. On the contrary, poor rural population is not less vulnerable before the crisis and economic cycles for having better public systems of social protection, but for their relative remoteness and self-sufficiency against formal markets. For this reason, these populations are comparatively excluded from the economic recovery, which in general reduces urban poverty more strongly and rapidly than the rural one. On the other hand, rural population is more vulnerable than the rural one against other risks such as natural disasters and climatic cycles.

This section is aimed to evaluate the wide range of social protection programs in operation in Mexico, understood as the set of interventions of public policy that seek to impact the management of risks affecting the population's consumption level during their life-cycle.¹⁷ With this purpose, a) current features of Social Protection are identified; b) features related with the ineffective access to health

¹⁷ Social protection systems may include a) social security sub-systems with contributory programs to help families to be insured in case of events that cause a loss of income; b) a protection network with non-contributory transferences directed towards poorest and vulnerable people; as well as c) a sub-system of minimum rights to protect individuals in their workplace (ICSS, 2011).

main public policy instruments of the Federal Government to contribute to the reduction of risks are presented, and, d) the aspects considered in chapter IV to elaborate conclusions and recommendations that contribute to the construction of an integral system of social protection that can face structural and conjectural risks and effectively pay attention to those who live in rural and urban areas, are shaped.

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Characteristics of social protection in Mexico

Social protection in Mexico is constituted by a set of contributory social security systems, originated in the early forties, as well as a set of non-contributory social programs created in the course of the last decade.¹⁸

In Mexico social protection has the following general characteristics:

- 1. Social protection policies, as well as social development, are not directly related with rights. Progress visible in the General Law of Social Development, which consists in the definition of social rights, have not become into coordinated and efficient instruments of public policy. Despite the progress of public policy objectives, it is yet impossible to materialize the exercise of social rights. In the health dimension, for example, enrollment to a system, institute or program not always guarantees an effective access to health services (service with capacity of resolution); in case of labor dimension, access to employment support programs does not guarantee labor insertion.
- Social protection coverage is limited. The percentage of population without access to health in 2010 was 31.8 percent, while the one of those without access to social security increased, for the same year, to 60.7 percent. It is possible that for 2012 this coverage is improved

In case of active employment policies, the *Employment Support Program* (the one with the highest budget and which provided support to a greater number of workers between 2006 and 2010) served between 2006 and 2010 to an annual average of 340,702 people, it not only achieved to provide employment to only 220,671 people during such period; this is, the number of beneficiaries is smaller compared to the number of unemployed people (2.1 million in annual average between 2006 and 2011), also the areas of opportunity are identified in obtaining employment.

¹⁸ Contributory instruments are those financed by its beneficiaries, while non-contributory instruments are those financed with general taxes and which, usually, have redistributive outcomes.

The Social Development Program Oportunidades is the most relevant instrument to serve the population living in poverty of the Federal Government. It has disposed one of the highest budgets among the social programs (58,700.24 million pesos in 2011 with an increment of 24 percent between 2008 and 2011). Its serviced population has sharply grown throughout its history (its register increased from 300,705 families in 1997 to 5.8 million in 2011) and it has been a model of "learned lessons" for instrumentation of conditional cash transfer programs in Latin America and other regions of the world (see, for example, Cohen and Franco, 2006). However, for 2010 there was around 500,000 households identified as part of the population living in poverty that have not been able to be served due to different reasons; among these it can be pointed out that the places are not provided with access to a health unit; or these are small, dispersed and mobile, or due to administrative difficulties originated by differences in INEGI's catalog of places and with that from Oportunidades program. Moreover, identification of eligible households in urban areas has proven to be a challenge for the program. This is, to make effective the access to Oportunidades program to one part of the eligible population it has not been possible despite the existence of a public policy instrument specifically intended to the population living in poverty, as well as the creation of an additional program for the population living in the most isolated places without access to education and health services (the Food Support Program).

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3. The level of access and quality of social protection programs is unequal horizontal and vertically. Horizontal inequality means that institutions and programs for social protection provide different goods and services to individuals with similar needs and risks. Differences in the benefit packages could be due to contingent characteristics like the area of residence and the employment conditions, among others.

On the other hand, vertical inequality means that in Mexico a substantive ratio of social expenditure through regressive instruments in absolute terms to the detriment of progressive or neutral instruments (see section "Distributive incidence and equity of social expenditure" from this *Report*). In this way, facing similar risks, the ones with the lowest incomes tend to obtain minor benefits.¹⁹ And the households with lowest incomes which tend to face higher risks.

 Coordination and complementarity among entities and dependencies to benefit the population vulnerable and in poverty, is weak.

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¹⁹ The importance of public policy instruments' regressivity only to evaluate the assignment of social benefits in terms of its equity is highlighted. This does not imply that equity is the sole objective or the dominant objective of all the social expenditure instruments. An area of regressive social expenditure may be justified when it pursues other purposes.

Despite there are institutional spaces for collaboration among government instances (Inter-secretarial Commission and the National Social Development Commission, for example), there are programs and institutions to cover similar risks of contributory and non-contributory nature, at both federal and state level, or targeted to the same right and target population without necessarily have an institutional link among them and with different financing plans.

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5. There are no efficient instruments for the vulnerable people living in urban areas and which also could be activated against unexpected crisis. Population groups with further deterioration in the context of economic crisis experienced in the country in 2009 were the ones who lived in urban areas and in the borderline with the United States. The actions conducted by the Federal Government to hold the reduction of the population's standard of living enable the absolute and relative number of people living in extreme poverty not to increase in 2010 compared to 2008; however, these were not sufficient to hold the increase of poverty in urban and border areas due to the fact that the most important instruments in budgetary terms and serviced population are mainly directed to the population living in long term poverty, living in rural areas and with lack of access to formal social security.

Risks related to social protection

Main risks related to social protection in the course of life-cycle are represented in figure 3.1.1. The lines show the risks related to four key dimensions of social protection: a) to access to health; b) employment; c) orphanage, disability and old-age; and d) to income; while the columns represent four age groups according to different moments of the life-cycle: children; adolescents and young people, adults and the elderly. Cells represent the risks related with one of the dimensions of social protection that individuals in a particular time of the life-cycle are facing.

In this way, for example, first cell (green color) shows that all the individuals throughout their life-cycle may face additional expenses, loss of income and have an effect in their health due to the lack of effective access to health preventive services. Or, the first cell that corresponds to the dimension related to employment shows that both, adolescents and young people and adults and the elderly may face the difficulty to find a job, whether due to lack of skills and competences or due to information problems in the labor market.





Source: elaborated by CONEVAL.

^a The situations considered are those in which illness or accident make impossible to people to carry out a remunerated economic activity, such as blindness, deafness, paralysis or missing limb, among others. For those under age, this risk makes reference to the situation in which they are disabled or have an illness that requires another family member to stop working in order to take care of the child or that someone who could contribute to household expenses stop contributing to take care of the child.

Based on this presentation of the risks that individuals face throughout their lifecycle, a diagnosis of the risks related to each one of the social protection dimensions is shown next. The goal is, on one hand, to describe the current institutional design to contribute to face such risks and, in the other hand, to outline the current population scenario of the dimensions in terms of key indicators.

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i. Diagnosis of risks related with the access to health

Mexican health system had important achievements between 2006 and 2011. Among these the following can be emphasized:

 The total expenditure inn health of the Federal Government grew 34.1 percent between 2006 and 2011, as it increased from 314,409.1 million to 421,682.7 million (graph 3.1.1).²⁰

Graph 3.1.1 Health Expenditure per Branch, Mexico, 2003-2011 (Constant pesos of January 2011)



Source: elaborated by CONEVAL based on the Account of Federal Public Treasury 2001-2011.

Note: Due to its lower level compared with other institutions, health expenditure of Branch 7 (National Defense; 5,653,546,864 pesos in 2011) and Branch 13

(Navy; 1,536,073,512 pesos in 2011) cannot be distinguished in the graph.

²⁰ The fields of health in the budgetary branches corresponding to National Defense (Branch 7), Navy (Branch 13), Contributions to safety (Branch 19), FASSA (Branch 33), IMSS (Branch 50), ISSSTE (Branch 51) y Petroleos Mexicanos; as well as Health (Branch 12, complete).

Enrollment to *Popular Insurance* and to *Medical Insurance for a New Generation* sharply during the last years. Population enrolled in the first one increased from 15.7 million people in 2006 to 51.8 million in 2011, while for the second one it passed from 819,410 enrolled people in 2007 to 5,783,114 enrolled people, between 2007 and 2011. This represents a first step towards universalization of health-care (graph 3.1.2).

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Graph 3.1.2 Enrolled population in Popular Insurance and Medical Insurance for a New Generation, Mexico, 2006-2011 (million people)



Source: Specific Performance Evaluation 2010-2011 and Consistency and Results Evaluation 2011-2012.

In addition, graph 3.1.3 shows that important proportions of the population of income deciles with lower resources are enrolled to *Popular Insurance*.





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Source: elaborated by CONEVAL based on the ENIGH 2010.

Note: Percentages do not total 100 because there are 3.3 million people that report being enrolled to Popular Insurance and to Social Security at the same time.

3. Population deprived of access to health, according to CONEVAL's multidimensional poverty measurement, reduced in nine percentage points: from 40.8 percent in 2008 to 31.8 percent in 2010. This represents that nine million people had access to the services provided by a health institution between those years. This is the deprivation that more sharply decreased among those considered for the multidimensional poverty measurement (graph 3.1.4). Reduction of deprivation of access to access to health services was largely caused to the progress of coverage of the *Popular Insurance*.



Source: CONEVAL (2011). Multidimensional Poverty Measurement 2010 at a national level

Despite these achievements, the health system scenario is complex and there still are challenges to be faced, as shown next. Although it should be emphasized the increase of coverage, the main objective is to increase the effective access to this social right, and this will not adequately move forward without improving the services quality, facing the new epidemiological reality of the population.

Epidemiological profile

In the case of the population's health in Mexico, this shows polarization. In terms of characteristic problems of social and economic backwardness, a descending tendency of prevalence can be observed. However, demographic changes and changes in the lifestyle as well as the exposure to risk factors have appeared in the progressive population aging and in an increase of non-communicable diseases.

Changes in lifestyle have caused the population to be exposed to risk factors which consequences can be translated into the development of chronic diseases. Obesity (30 percent of adult population), excessive consumption of alcohol (4.8 percent) and smoking (13.3 percent), together with lack of exercise are some of the main risk factors. It is demonstrated that non-communicable diseases, besides the consequences on health, have also economic, social and labor impact that put in risk the financial viability and the response capacity of health services (HIMFG, 2011).

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The country population's health condition has not reached the average levels reported by the Organization for Economic Co-operation and Development (charts 3.1.1 and 3.1.2). In Mexico, life expectancy is lower, at birth and²¹ at 65 years-old.²² The figures of low weight at birth,²³ child, mother and cervical cancer mortalities²⁴ are considerably higher.

The number of deaths caused by car accidents has increased in a very important way, while in other countries it has decreased to almost the half (OCDE, 2011c; 2012).

Indicator	OECD	Mexico	OECD	Mexico	OECD	Mexico	OECD	Mexico
	1990		2000		2005		2009	
Life expectancy (in years)	78.1	73.5	80.2	76.5	81.3	77.0	82.2	77.6
Women	71.4	67.7	74.0	71.3	75.6	72.2	76.6	72.9
Men								
Life expectancy at 65 years-old	17.8	17.8	19.0	18.1	19.8	18.2	20.4	18.3
Women		16.0	15.5	16.5	16.4	16.8	17.2	16.8
Men	5.7		6.3	9.7	6.4	8.8	6.6	8.4
Low weight at birth ^a	10.2	39.1	6.7	19.9	5.2	17.3	4.4	14.6
Child Mortality Rate b	15.8	89.0	10.3	72.6	9.0	61.8	8.8	62.2
Mother Mortality Rate [°]	6.4	28.5	5.1	20.2	4.5	16.0	4.4	13.3
Mortality rate by cervical cancer ^d	78.1	73.5	80.2	76.5	81.3	77.0	82.2	77.6

Chart 3.1.1 Indicators of the population's health condition using OECD as reference, 2009

Source: elaborated by Federico Gomez Children's Hospital of Mexico for CONEVAL based on CONAPO (2011a); the National Health Information System (SINAIS) of the General Directorate for Health Information, Ministry of Health and Information System of the Millennium Development Goals. ^a Total percentage of births. b Per each thousand estimated live births.

^c Per one hundred thousand estimated live births. d Per each one hundred thousand women of 25 years-old or over.

Epidemiological transition is visible in the main mortality causes. Chart 3.1.2 compares the main causes of general mortality between 1990 and 2010. In 2010, non-communicable diseases (heart diseases and diabetes mellitus) occupied the

²¹ Life expectancy at birth is the average number of years a person expects to live at the time of birth, if the present prevailing mortality conditions are kept along his/her life.

²² Average of years a person expects to live from 65 years-old, if the present prevailing mortality conditions are kept along his/her life.

²³ Child's weight at birth under 2.5 kilos, notwithstanding its gestational age.

²⁴ It is the number of women deaths caused by cervical cancer per each one hundred thousand women of 25 years-old or over during the reference year.

first places of the main causes of death in the overall population. Acute intestinal and respiratory infections occupied the least relevant places.

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	Year												
Causes of Death		1990	200	0	20	05	20	09					
	Deaths	Rate ¹											
Diabetes mellitus	25,782	30.7	46,525	47.3	67,090	64.5	82,964	76.5					
Ischemic heart diseases	29,764	35.4	43,753	44.4	53,188	51.2	70,888	65.4					
Cerebrovascular disease	19,760	23.5	25,357	25.8	27,370	26.3	32,306	29.8					
Cirrhosis and other chronic liver diseases	17,902	21.3	25,378	25.8	27,566	26.5	28,369	26.2					
Aggressions (homicides)	14,497	17.3	10,638	10.8	9,921	9.5	25,757	23.8					
Chronic obstructive pulmonary disease	12,432	14.8	15,915	16.2	20,253	19.5	23,795	22.0					
Hypertensive disease	6,818	8.1	9,778	9.9	12,876	12.4	17,695	16.3					
Acute lower respiratory infections	23,958	28.5	14,213	14.4	14,979	14.4	17131	15.8					
Traffic accidents with motor vehicle	8,768	10.4	13,755	14.0	15,742	15.1	11,773	10.9					
Protein-calorie malnutrition	11,705	13.9	8,865	9.0	8,442	8.1	8,672	8.0					
Intestinal infectious diseases	22,196	26.4	5,216	5.3	4,266	4.1	3,202	3.0					
Other main diseases	139,181		138,557		85,599		150,454						
Total of main diseases	193,582		219,393		261,693		322,552						
Ill-defined	9,716		8,648		9,484		12,789						
Others	102 414		94 928		159,810		123,196						
Total	444 893		461 526		516,586		608,991						

Chart 3.1.2 Main general mortality causes, Mexico, 1990-2009

Source: elaborated by Federico Gomez Children's Hospital of Mexico for CONEVAL based on the National Health Information System (SINAIS) of the General Directorate for Health Information, Ministry of Health.

¹Rate per 100,000 inhabitants

The mortality profile of the population became from one where transmissible diseases had an important place as cause of death to one in which these are less important compared to the deaths related with non-communicable pathologies.

The case of mother mortality is an example that there has not been progress in the quality of service and in the effective access, since although an important reduction is observed since 1990, Mexico is still far from the Millennium Goal of 22 deaths per each thousand live births in 2015 (graph 2.2 in this regard refer to CONEVAL, 2012b).

In spite of the reduction of deaths caused by transmissible diseases, infections, mother mortality and perinatal complications are yet very important health problems, particularly in the population living in marginalized areas. It should be highlighted that behind the national average there remain wide inequalities at federal entities, by geographic areas, between indigenous and non indigenous populations, as well as throughout income distribution. The foregoing means important challenges to public policy: to guarantee the effective access to health services and the existence of an organized health system

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Institutional organization of the health sector

Organization of Health Sector in Mexico is complex and fragmented. The administration is attribution of the federal Ministry of Health and the sector is integrated by public institutions and private organizations and institutions. Public sector is constituted by the Ministry of Health, the State Health Services (SESA) and the social security institutions (Mexican Institute of Social Security, State's Employees' Social Security and Social Services Institute Estado and of the federal entities, Ministry of National Defense and Navy, as well as Medical Services of PEMEX). Figure 3.1.2 shows the system's structure, financing sources, buyers, suppliers and serviced population.





Source: Elaborated by Federico Gomez Children's Hospital of Mexico for CONEVAL.

The capacity put to the sector still has limitations regarding the population it should serve. An important proportion of the places with less than 2,500 inhabitants does not have medical establishment. In 2011, per each thousand of inhabitants, public institutions had 2.03 doctors, 2.5 nurses and 1.25 beds. These indicators are below OECD averages and show the need of a higher number of human and material resources (SINAIS, 2011b; OCDE, 2012).

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Population served by health system

Most of the nation's population is covered by health institutions; however, based on information from 2010 and 2011 there was inconsistencies in the definitions and sources in different information systems available. On one hand, 35.8 million people are deprived of access to health services, according to the data from the Socioeconomic Conditions Module (MCS) of ENIGH 2010 used to measure backwardness in access to health (chart 2.1), and on the other hand, the total of population enrolled to public institutions, according to their own administrative data, is greater than the nation's population, which evidence the absence of an appropriate record of population covered by social security, *Popular Insurance* and the one covered by the IMSS-*Oportunidades* program, as well as the enrollment of a percentage of the population to more than one health institution, or the existence of errors in the imputation of total enrolled population from the registered workers as direct right-holders. It is important to notice that in 2012 there is an important progress in the coverage of *Popular Insurance*, which is not reflected in the prior figures.



Figure 3.1.3 Covered population per Health institution in Mexico, 2010-2011

The Ministry of Health, the State's Health Systems and the program *IMSS-Oportunidades* serve approximately 50 million people not enrolled in contributory social security. This population includes self-employed people, workers from the informal sector, unemployed and the major part of rural population. Financing for the service of this people comes from the Federal Government, mainly from the *Social Protection System* in Health (*Popular Insurance*) and from contributions of state governments.

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Social security institutions cover approximately 48.3 million people. On the other hand, in 2010 the MCS from ENIGH 2010 shows that deprivation of access to social security increased to 68.3 million individuals; social security institutions serve, by definition, employees form the formal sector, their beneficiaries and retired; including armed forces and PEMEX workers. Financing for this sector comes from contributions of the employer, the employee and the government.

Although the figures show that there are numbers of double enrolled, there is a small progress in the portability of health access rights. A federal agreement called 32×32 allows the states to set bilateral agreements so inter-state migrants and boarding population receive services in other states. But inter-institutional portability has developed to a much lesser extent. Such portability will enable to rationalize the investment and to improve the service, in such a way that in very isolated areas one basic clinic can serve enrolled people of diverse institutions, and in highest level hospitals, a maximum use of major investments rarely used can be made.

Private sector, particularly in the branch of insurance in health and medical expenses, covers approximately 10 percent of the population. In spite of this, 48 percent of total expenditure in health is private expenditure, mainly out-of-pocket spending. Third quarter of 2011, the Insurance and Bonds Commission reported a figure of 11,880,476 current insured people for the medical expenses insurance and 337,565 insured people for the health insurance (National Insurance and Bonds Commission, 2012).

Expenses in health services

During the last years the expense in health has gradually increased, although there is a difference in the expense per capita among the population with or without social security. In 2011, health expenditure represented 6.4 percent of Gross Domestic Product, and the average expense per person in such year was 3,619 pesos; when disintegrating the differences between insured population (4,976 pesos) and not insured population (2,576 pesos) are identified. Graph 3.1.5 shows that Mexico is one of the nations form the Organization for Economic Cooperation and Development that spends less in health as percentage of Gross Domestic Product.



Ireland

Chile

2009

Israel

Poland

Finland

Estonia Korea Mexico

OECD



Iceland

Norway

2005

United Kingdom

Italy Spain

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Source: elaborated by CONEVAL based on OCDE, 2011.

Denmark Switzerland Canada Austria

Germany

France

United States

18.0 - 17.4

16.0 14.0

12.0

10.0

8.0

6.0 4.0 2.0 0.0

oercentage

Out-of-pocket spending in medications is onerous for the population. In 2009, public expenditure represented the fourth part of the total expenditure in this area, while private expenditure was three quarters. This shows the magnitude of the population's out-of-pocket spending to acquire medications.

Belgium Sweden

2000

Private sector serves the population with the ability to pay, either by direct out-ofpocket payment, health insurances or medical expenses insurances. Out-ofpocket spending is the direct payment to a supplier by a user, for a medical service, consultation and hospitalization, purchase of medications, laboratory or cabinet analyses and to cover hospitalization expenses.

It represents the most inefficient and inequivalent health expenditure. Population voluntarily receives private medical insurances or as labor benefit for some employees in the formal sector and public officers, in addition to their enrollment to the IMSS or ISSSTE, respectively.

Differentiated benefit packages

The institutions extend different benefit packages, which is an indicator of the inequality in the access to services. The social security institutions cover 21 sections from the International Classification of Diseases (ICD 10), which represents 12,487 diagnoses. In contrast, the Social Health Protection System covers 284 interventions with 1,400 diagnoses. On the other hand, IMSS and ISSSTE are able to attend all of the interventions in the General Health Services Catalog (CAUSES), while the *Popular Insurance*, as it has been mentioned, offers coverage of 284 interventions.

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In conclusion, the Health Sector has significant achievements and progress in the instrumentation of actions and programs aimed to improve the coverage and offering of services. However, it has a fragmented structure and its consequences hinder its proper performance. This segmentation limits the capacity of the Ministry of Health to exercise the system's rectory, which mirrors in the low convergence of health policies between institutions that keep internal programs under their responsibility with different scope, services and coverage. This phenomenon can be explained by two factors: a) the segmentation of the public health system at its origin, divided among various social security institutions and services for the uninsured population, and b) the public system's low budget before the household's outlay. More specifically, it can be explained by several causes: differences in the allotted budget that have generated and asymmetry in investments and the capacity of service offerings; raised administrative costs; unequal assignment of per capita output; and differences in the benefits that the affiliated population is entitled to.

Social security and state health service institutions offer different health services in regards to contents, extension and quality. Furthermore, the investment in public health is yet insufficient. This situation distinguishes a great variability in the offering of services, whose quality is, in addition, heterogeneous.

The current conditions of the sector, difficult the effective access for the population, particularly the most vulnerable. In addition to the inefficiencies that this fragmentation sets upon the public health sector and more widely to economy, implies significant inequalities regarding access to health services in Mexico. These are the result of three main factors: a) the relatively low public expenditure against the private expenditure (mainly out-of-pocket), that represents less than half of the total resources exercised in health, despite of having increased from 43.8 percent to 48.8 percent between 2002 and 2010 (National and State Health Accounts 2010, Ministry of Health); and b) the segregation and inequalities within the public system which can also be explained through these main elements: i) the exclusionary and retrogressive coverage of social security systems, ii) the gaps in the public expenditure by beneficiary among these systems and subsystems, and iii) the restrictions in demands (economical, geographical and cultural, among others), as well as the offering of services by home (nominally) covered by them.

There are remarkable differences in the architecture and development of the information systems of the institutions. Even though efforts have been made to measure and increase the quality of the services, including the creation of
clinical practice guidelines, there is still great heterogeneity in the attention criteria and the evidence published in regards to the limitations in the quality of service, in both the hospital and ambulatory care areas.

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ii. Diagnosis of risks associated to labor

Unemployment and over-occupation are problems related to social development, since the standard of living of most of the Mexican households depends on labor remunerations, for these constitute their main income. The income from subordinate or independent labor, or other labor incomes represented 76.5 percent of the total household income in 2010. The importance of labor income was higher in urban areas (77.1 percent) than that of rural areas (71.1 percent), given the weight of transfers in the rural sector (chart 3.1.3). The significance of wages is rising in both contexts, in short and intermediate term, which means that it is responsible for most of the variations in poverty, particularly during a crisis like the one in 2009.

Chart 3.1.3 Percentage of the income categories in relation to the current total monthly income per person. National, rural and urban, Mexico, 2008-2010

Income category	National		Rural		Urban	
income category	2008	2010	2008	2010	2008	2010
Current monetary income	93.7	93.7	92.7	92.7	93.8	93.8
Remunerations for subordinate labor	61.1	63.9	47.8	51.5	62.6	65.4
Income from independent labor	10.7	9.6	16.4	14.8	10.1	8.9
Income from property rental	8.5	5.0	5.2	1.7	8.9	5.4
Other labor incomes	2.9	3.0	4.8	4.8	2.7	2.8
Transfers	10.5	12.2	18.5	19.8	9.6	11.2
Current non-monetary income	6.3	6.5	7.3	7.4	6.2	6.3
Payment in kind	2.4	2.8	2.6	2.9	2.4	2.8
Transfers in kind	3.9	3.6	4.7	4.5	3.8	3.5

Source: elaborated by CONEVAL based on MCS-ENIGH 2008 and 2010.

Unemployment

Between 2006 and 2012 the average unemployment rate was 4.6 percentage points. It reached its peak during the third quarter in 2009 at 6.2 percent and remained above five points throughout 2009, 2010 and the first three quarters of 2011 (see chapter II).

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Notwithstanding its rise during the crisis, this rate's level could be qualified as low if contrasted with those registered in the OCDE countries that same year. The average unemployment rate of the OCDE member countries between 2006 and 2012 was 7.3 percentage points; 1.1 higher than the maximum level reached in Mexico these past years. Among the countries with the highest unemployment rates are Spain (18 percent in 2009 and 20.1 percent in 2010), Estonia (13.8 percent in 2009 and 16.8 in 2010), Slovakia (12 percent in 2009 and 14.4 percent in 2010), Ireland (11.8 percent in 2009 and 13.7 percent in 2010) and Greece (9.5 in 2009 and 12.6 in 2010). Overall, this contrast with the OCDE countries conceals the restrictions and risks that many workers face in the Mexican labor market.

If complimentary pointers of unemployment are considered, such as the underemployment,²⁵ partial employment and unemployment rates,²⁶ as well as critical occupation conditions, ²⁷the outlook changes and Mexico reaches levels similar to the OCDE average, or even higher. Within the period considered, the underemployment rate never dropped from 6.5 points, partial occupation and unemployment from 9.5 points and the critical occupation conditions from 10 percentage points. This difference between the unemployment rate and the complimentary measures can be due to the fact that the first has the tendency to estimate downwards to diverse underemployment and unemployment manifestations in labor markets like the Mexican, that are distinguished for a high rotation and where people frequently tend to take temporary or part-time jobs, that is, the complimentary measures would be a better instrument to properly appraise unemployment within the national labor market and locate the country in contrast to the other members of the OCDE.

²⁵ Percentage of the occupied population that has the need and availability to offer more hours of labor than allowed by their current occupation (INEGI, 2011b).

²⁶ Percentage of economically active population that is currently unemployed, plus the employed population that labored less than 15 hours during the referenced week (INEGI, 2011b).

²⁷ Percentage of the employed population laboring less than 35 hours per week due to market reasons, plus the population laboring 35 and more weekly hours with an income up to one minimum wage y and those laboring over 48 hours per week earning more than one and up to two minimum wages (INEGI, 2011b).



Graph 3.1.6 Complimentary unemployment rates, Mexico, 2006-2012

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Source: elaborated by CONEVAL based on ENOE and OCDE, 2012.

These differences between levels of unemployment are not a mere statistical value, they also influence the way in which the national labor markets are organized and the way in which the State intervenes in them. Unemployment may seem low in Mexico because when the household economic provider or providers lose their job, and experience monetary liquidity issues to finance their daily consumption, they can prefer to take precarious jobs and perform activities that they would not perform under other circumstances, rather than having to face with a fall in their standard of living.

A phenomenon of this nature, at an aggregated level, would be the origin of low unemployment rates. This reflects, in effect, the absence of unemployment insurance, in contrast with most of the OCDE countries.

In a circumstance of this kind, the participation of the State, through the creation of a well designed unemployment insurance program, could be desirable, allowing the unemployed to finance their transition towards a more productive job, even when it may raise the unemployment rates as a secondary effect. In the matter of unemployment, other options for Mexican workers are:

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- a. Compensation for dismissal in conformity with the establishments of articles 48, 49 and 50 of the Federal Labor Law.
- b. Savings from AFORE or the Retirement, Dismissal and Old Age account in conformity with the establishments of the Social Security Law. Workers are able to withdraw, for dismissal reasons, between 30 and 90 days of Contribution Base Wage from their AFORE or 11.5 percent of the balance in their Retirement, Dismissal and Old Age account (whichever is the lowest) every five years. Between 2011 and 2012, around one million workers turned to this benefit and withdrew an average of 3,631 pesos. Nevertheless, it is necessary to highlight that its use diminishes the amount of their future pension.
- c. Temporary Employment Program. Te target population of the program is the vulnerable population over 16 years of age that was affected by the loss or temporal reduction of their income and that is willing to participate in the projects moved by the program. The benefit consists in a cash transfer corresponding to 99 percent of a minimum wage for a maximum of two daily wages and 132 daily wages per year per beneficiary. In 2010, the program executed a budget of 3,028.35 million pesos (amount expressed in constant pesos from January, 2011) and served 582,044 people.
- d. Unemployment insurance in the Federal District. The target population are workers over 18 years of age that lost their job and inhabit within the Federal District. The place where they used to work must have a fiscal residence in this entity. The benefit consists in delivering 30 days of minimum wage for up to six months.

It is worth mentioning that unemployment insurance is fundamental in the national social security schemes of many countries; Mexico is one of the Latin American²⁸ and OCDE countries that does not rely on such instrument.

Active labor policies

Among the federal programs that have the purpose of facing risks such as loss of the labor income or the difficulty to find a job due to lack of abilities, are the *Employment Support Program (ESP)*, de *Productivity Support Program (PSP)* the *Program for Situations of Labor Contingency (PSLC)* and the *Coordination of Connection Actions between Production Factors for Labor Support.* These programs can be classified among the active labor policies, for they consist in

²⁸ The Latin American countries with unemployment insurance are Brazil (since the 1980's), Argentina, Barbados, Chile and Uruguay (since the 1990's), as well as Colombia (with a recent and smaller program in terms of benefited workers.

training activities, employment subsidies, and "tie" actions between companies and workers (chart 3.1.4).²⁹

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Among these, the most important is the *Employment Support Program* which spent 1,408.6 million pesos in 2010 (amounts expressed in constant pesos from January, 2011). The serviced population ascended to 439,842 people, however only 261,119 managed to position themselves on a job (that is, 60 percent). If this population is contrasted with the number of unemployed (2.6 millions) and underemployed workers (3.9 million) on that same year, the size of the existent area of opportunities can be identified, to set up active labor policies in Mexico.

Chart 3.1.4 Active labor policies programs, Mexico, 2010

Program	Benefit	Serviced population (people)	Budget Spent (Millions of pesos in 2011)	
Employment Support Program	Training action, monetary support for transportation and training	439,842	1,408.59	
Productivity Support Program	Supports companies for the training of workers	1,672	65.18	
Care Program for Situations of Labor Contingency	Monetary support during labor contingencies	29,073		
Coordination of Connection Actions between Production Factors to Support Labor	Labor connection (job center, call center and job fair, among others)	3,671,666	111.0	
Source: Specific Performance Evaluation 2010	-2011 for each program.			

Source. Specific Performance Evaluation 2010-2011 for each program.

Note: The programs are operated by the Ministry of Labor and Social Security

Finally, it is worth to mention that Mexico is one of the OCDE countries that spend the less in active labor policies (chart 3.1.5).

Chart 3.1.5 Public expenditure in labor market programs in OCDE countries (GPD percentage in 2005)

	Canada	Korea	Mexico	United States	Poland	France
Public Employment and Administration Service	0.15	0.03		0.03	0.09	0.24
Training	0.08	0.05	0.01	0.02	0.1	0.29
Labor incentives	0.17	0.03			0.05	0.12
Subsidized employment				0.03	0.16	0.07
Direct creation of employment	0.02	0.01		0.01	0.02	0.19
Start up incentives	0.01				0.04	0.01
Income maintenance and support	0.6	0.24		0.24	0.27	1.35
Early retirement					0.45	0.05
Total	0.9	0.37	0.01	0.38	1.18	2.32

Source: OCDE Employment Outlook 2008.

²⁹ The Employment Support Program is not aimed to service unemployed people.

Childcare services

A third risk related with the labor market is the reduction of the family income due to the fact that one or more working members of the family, particularly women, need to remain at home taking care of the children, people with a disability, or elders with difficulty to carry out daily life activities. This risk is becoming more important in contemporary societies due to the increasing participation of women in the labor market, who traditionally play the role of "caregivers", but also in the increase of the proportion of elderly population, which in part responds to an increase in the average life span of the population, as well as the decrease in fertility (Montes de Oca, 1998; Robles Silva, 2001 and 2007).

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Chart 3.1.6 Childcare services, Mexico, 2007-2008

Institution	Nomenclature	Modality	Level	Target population	Children serviced	Number of centers
ISSSTE	Childcare for the Wellbeing and Development of Infants (own or subrogated)	Scholarly	Early education and kindergarten	Children of affiliated workers (2 months to 6 years)	34,047 [2007] ¹	275
IMSS	Childcare: owned and subrogated	Scholarly	Early education and kindergarten	Children of affiliated workers (43 days to 4 years)	214,034 [2008] ²	1,554
DIE	Centers of Assistance for Early Childhood Development	Scholarly	Early education and kindergarten	Infant population (45 days to 5 years, 11 months)	51,492 [School year 2008-2009]	559
DIF	Community Centers for Attention to Young Children	Semi-scholarly (Community)	Early education and kindergarten	Infant population (45 days to 5 years, 11 months)	88,751 [School year 2007-2008]	2,195
SEP	Centers for Children Development	Scholarly	Early education and kindergarten	Infant population (0 to 5 years, 11 months)	71,186 [School year 2007- 2008]	N/A
	Early Education Centers	Semi-scholarly	Early Education	Infant population (2 to 4 years) Federal District Only	N/A	N/A
SEDESOL	Childcare Centers to Support Working Mothers	Scholarly	Early Education	Infant population (1 to 3 years 11 months and 1 to 5 years 11 months (children with disabilities)	125,359 [2007] 264,164 [2010]	5,504 [2007] 9,587 [2010]
				Total	548,869 [2007]	10,087 [2007]

1 Source: Area for Planning and Assessment of Institutional Performance, ISSSTE.

2 Source: The children serviced by IMSS are the enrolled children. Al the IMSS figures correspond to December.

The rise in the economic participation of women has been possible because of the incidence of various mid and long term factors. Some of the long term factors that



can be highlighted are the growing urbanization and consequent massive relocation of the population from the fields to the city; this increase generalizes the educational level, in particular that of females, as well as the diminishing of fertility with its effect on the household sizes y the population's composition.

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Among the midterm factors that have had an incidence on women's participation since the 1980's, a few can be mentioned, as the changes in the growth strategy and flexibility of the labor market, the increase in the number of beneficiaries as a strategic response of the households facing a reduction in the purchasing power of their income, in addition to a pronounced sectorial change on the same market that implies the creation of numerous labor positions in activities related to the service and commerce sectors, being detrimental on positions of the primary and secondary sectors (Oliveira, Ariza and Eternod, 2001: 882-883).

Between 2005 and 2011 the rate for women's labor participation went from 39.6 percent to 41.8 percent, whereas men's decreased from 77.7 percent to 76.8 (INEGI, 2012). However, the participation of the poorest women is much lesser and has been left behind in the last decades: in 2008 women's labor participation was 57 percent in the wealthiest quintile, yet scarcely 30 percent in the poorest.

For women who choose to temporarily suspend their working life due to reproductive decisions and the corresponding postnatal period, the Federal Labor Law offers the maternity license. This license establishes a 12 week period (six weeks before labor and six weeks after) of rest for the working mother, with full pay. In addition, there is a variety of public child care services.

> 2005 2006

> > IMSS

centers

2004



2007 2008

Graph 3.1.7 IMSS and ISSSTE childcare services and children serviced, Mexico, 1999-2008

Childcare

200

n

2000 2001 2002 2003

ISSSTE

centers

1999



Childcare

50,000

0

2007

Sedesol

centers

2008

Childcare

2009

Graph 3.1.8 SEDESOL childcare centers and children serviced, Mexico, 2007-2010

9,587

2010

Children at Sedesol

Such offer is constituted by contributory and non-contributory services. The first includes ISSSTE, through *Childcare for the Wellbeing and Development of Infants*, IMSS, and the Ministry of Public Education (SEP) with *Centers for Children Development* (CENDI) and *Early Education Centers* (CEI). The non-contributory services are constituted by *Centers of Assistance for Early Childhood Development* (CADI) and *Community Centers for Attention to Young Children* (CAIC) from SNDIF, as well as the *Childcare Centers to Support Working Mothers* from SEDESOL (chart 3.1.6).

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In 2007-2008 the public offer of childcare services serviced approximately 584,869 children with different kinds of services and different age ranges. The most important contributory services, by number of serviced children, were provided by IMSS with 214,034 children, while among the non-contributory, SEDESOL childcare centers serviced 125,359 children in 2007.

In the long run, the services that grew the most were from IMSS, since the number of children serviced between 1999 and 2008 increased in 158 percent (rising from 82,870 to 214,034; graph 3.1.7). The number of children serviced by SEDESOL *childcare centers* increased 110 percent between 2007 and 2010 (rising from 125,359 to 264,164; graph 3.1.8).

As other outputs of social security, there is wide gap between the cost and the quality of the benefits provided by contributory social security institutions and the non-contributory programs: the average expense per child in 2010 was of 2,921 pesos per month at IMSS, and 761 monthly pesos at SEDESOL childcare centers (*Statistical Annex*, Fifth Governance Statement).

Among the challenges that childcare services face, it is worth mentioning the efforts to achieve the alignment between the childcare center schedules with those of the parent's labor activities, as well as attaining that a wide range of the population that cannot afford the existing childcare offer can have access to it, either by a reduction in cost or an extension in the coverage.

iii. Diagnosis of risks associated to old age, disability and orphanage

The access to social security is a fundamental element to face the uncertainty inherent to modern society. It consists of a group of institutional mechanisms designed to guarantee and protect the means of subsistence of individuals and their families upon the eventualities derived from contingencies as illnesses or accidents, or upon socially acknowledged risk conditions, like pregnancy and old age. Without considering the protection of social security mechanisms nor arrange for personal resources to replace them, people can be exposed to unexpected situations that make their physical and social development vulnerable (CONEVAL, 2008: 49; CONEVAL, 2010a: 55).

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In a strict sense, access to social security is regulated in Article 123 of the Constitution, relating to labor. This article defines the minimum social coverage that must be provided to workers and their families. The Social Security Law (LSS) establishes its purpose as guaranteeing the right of health, medical assistance, protection of means of subsistence and the social services necessary for individual and collective wellbeing (CONEVAL, 2010a: 55-56).

However, the contributory social security systems created over 70 years ago for the compliance with this constitutional article (mainly IMSS and ISSSTE) currently cover a minority fraction of the population, reason why other social expense instruments have been introduced to offer this protection to the uninsured population, such as the *Popular Insurance* ant the 70 and Over program. Even so, part of the population is unprotected, either by portability problems (for example a change in labor with different benefits from different institutions) or because, despite of not quoting social security in a matter of pensions, the person does not comply with the eligibility criteria of federal or state programs (level of income and location, among others).

The following is a diagnosis of the consumption level of the pension programs aimed to alleviate the risks of old age, disability (particularly derived from labor conditions) and the death of parents.

Old age pensions

Old age pensions have the purpose of contributing in the moderation of the loss or diminishing of an individual's income due to old age, as well as to be a mean of assurance that guarantees a saving in relation to salary. There are two types of old age pensions in Mexico: contributory and non-contributory. The contributory old age pensions are those provided by the Mexican Institute of Social Security, the State's Employees' Social Security and Social Services Institute, Petroleos Mexicanos (PEMEX), the Social Security Institute for the Mexican Armed Forces and the state social security programs.

In Mexico, contributory pension systems have a long story that dates from the 19th century. Ever since their origins, they have been characterized for benefiting select labor groups (Mesa-Lago 1978). On the other hand, in contrast with most of the largest countries in the region, before the first decade of the 2000, when the program for the elders was created in Mexico City, there were not any non-contributory pension programs in Mexico, and it was not until 2007 that a wide coverage federal program is created (*70 and Over*).

IMSS covers approximately 76 of the insured population,³⁰ ISSSTE or state ISSSTE 18 percent, and PEMEX —that because of a transitory disposition of the Social Security Law can maintain its own plan—, and the armed forces 5 percent (CONEVAL, 2011t).

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Among the opportunity areas of contributory pensions, the existence of significant barriers to the portability of rights and a problem in multiple taxations, can be mentioned. The lack of portability causes people to limit their mobility between jobs and also causes programs to end up with excessive costs, because the persons insured may adopt abusive conducts to obtain the benefits. Furthermore, multiple taxations affects mostly workers with a lower wage, since the cost of having to pay several times can be critical for them in regards to their income. Multiple taxations affect the Mexican worker that needs to quote in various systems simultaneously or, even if they only quote from IMSS they must incur in a double pay of fixed fees that can end up paying above the upper limit of the quote.

Only if a general regime of pensions is defined, it will be possible to eliminate this double taxation that is particularly affecting people with part-time jobs or laboring in occupations that favor worker alternation during relatively short periods.

In recent decades the organization of retirement programs in Mexico biased towards individual capitalization systems starting from the IMSS and ISSSTE reform, but the Parastatal's systems are still of allocation with unsustainable and fast growing labor liabilities.

The general aspects that stand out in individual capitalization systems refer to the destination of the investments of the pension funds, the concentration of the market in a reduced number of fund administrators and the relatively high administration costs in several countries. In Latin America, the investment aimed towards public debt instruments is highlighted (Bolivia, El Salvador, Dominical Republic and Mexico) compared to the investment destined to foreign actions or emissions. A higher competition that allows the reduction of costs per contributor in the region and, particularly in Mexico, is desirable.

Regarding coverage and budget, the non-contributory old age pension is the program *70 and Over* of the Federal Government. However, there is a wide and diverse group of state programs in Chiapas, Chihuahua, Colima, Federal District, Jalisco, State of Mexico, Nayarit, Oaxaca, Puebla, Queretaro, Quintana Roo, Sonora and Veracruz.³¹

³⁰ Population with access to IMSS, ISSSTE, PEMEX and Armed Forces, in this proportion the population with access to the *Popular Insurance* is not considered, for it refers to those who access social security in their old age pension output.

³¹ The program from the Federal District aimed for the elders called *Food Pension for 70 Year-Old Adults*, was the first of the non-contributory programs aimed to the population over 70 years of age. It began in 2001 as the *Food Support Program* and *Free Medications for 70 Year-Old and Older Adults*. Its starting target population was the elders that inhabited the territorial units in the Federal District classified as being of very high, high, and intermediate marginalization. It was instituted since

Until 2011, the SEDESOL program *70 and Over* granted basic benefits to every person 70 years and over that resided at locations smaller than 30,000 inhabitants. 2012 onward, its extension to all the locations in the country was decreed thus turning into a universal pension. The monetary support consists in 500 monthly pesos, in bimonthly deliveries, and a payment of 1,000 pesos that is granted one sole time to the person designed as representative by the beneficiary to be used when he or she deceases. Towards the end of 2011 the program serviced 2,149,024 elders, with an expense of 12,816 million pesos and an approved expense of 18,821.12 million pesos in 2012. The program *70 and Over* has established over an ad hoc base, without a functional relation with the general system.

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At state level, at least 13 federal entities already implement non-contributory social programs for the elders. The state programs are variable in regards to the kind of benefits they grant (monetary or in kind), the age elders must reach (between 60 and 70 years of age) the amounts of the benefits (from 500 monthly pesos or food pantry, to 897.30 monthly pesos). In general, these programs demand a condition of residence in the entity for a number of years that varies from three (Federal District) to 20 (Veracruz), and not being able to receive the benefit of another pension.

The details of these programs, as well as the number of beneficiaries and the state budget assigned in 2011 are shown in chart 3.1.7.

²⁰⁰⁴ onward. Through this program a pension of 50 percent of the general minimum wage current in the country's capital (897.30 pesos in 2011) is granted to elders of 70 years or more, with a minimum antiquity of three years as a permanent resident at the Federal District. Such pension is paid through an electronic card that can be used at the main authorized shopping centers and at the city's public markets. The program is financed from general taxes. By 2011, the program's budget was 5,101 million pesos. According to figures of the *Institute for the Attention of the Elders* in the country's capital, at the closing of the fiscal year 2010, the registry of rightholders ascended to 473,000 elders.

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Entity	Program	Requirements	Type of support	Amount	Periodicity	Beneficiaries 2011	Approved budget 2011
Chiapas	Amanecer Program	64 years of age and resident of Chiapas	Cash transfer	550.00	Monthly	240,000	1,438,649,159.86
Chihuahua	Vive a plenitud Program	65 years of age	In kind			15,000	120,987,484.00
Colima	Food pension for the elderly	65 years of age, not receiving an income or provisions from the Federal Government, 10 years of residence in Colima				3,000	5,100,000.00
Federal District	Food pension for the elderly	68 years of age, resident of the Federal District for a minimum antiquity of 3 years.	Cash transfer	897.30	Monthly	473,360	5,101,042,155.00
Jalisco	Strategy for the attention of the elderly "Vive grande"	70 years of age and living in marginalization and/or abandonment conditions	Cash transfer	1,500.00	Quarterly	94,417	15,000,000.00
State of	Food pension for elders 60 to 69 years of age	60 to 69 years of age and living in a situation of food poverty, marginalization, social exclusion, or vulnerability	In kind	Pantry	Monthly	120,000	299,718,469.31
Mexico	Food pension for the elderly	70 years of age and living in a situation of food poverty, marginalization, social exclusion, or vulnerability	In kind	Pantry	Monthly	160,912	1,150,000,000.00
Nayarit	Food pension for elders over 70 years of age	Be an elder over 70 years of age	In kind	Pantry	Monthly	47,988	40,000,000.00
Oaxaca	State food pension for adults 70 years and over	70 years of age, residing in locations larger than 30 thousand inhabitants, not relying on benefits from federal program 70 and Over.	Cash transfer	1,000.00	Bimonthly	31,000	150,405,284.78
Puebla	Urban seventy and over	70 years of age, living at locations larger than 50 thousand inhabitants	Cash transfer	500.00	Monthly		
Queretaro	Food Support Program	60 years of age	In kind	Pantry	Bimonthly	96,600	9,948,461.00
Quintana Roo	Economic Support Program "Grandpa I'm with you"	70 years of age, living in a situation of vulnerability, not relying on a pension and/or support from federal instances and minimum residence of 5 years	Cash transfer	850.00	Monthly	33,611	43,200,000.00
Sonora	"CreSer" with the elderly	65 to 69 years of age, accredit residence at priority attention areas	Cash transfer	1,000.00	Biannual	50,500	50,500,000.00
Veracruz	Food pension for elders over 70 years of age	70 years of age, minimum residence of 20 years, lacking of any pension or social security system	Cash transfer	Half of a minimum wage from Xalapa, Veracruz	Monthly	35,699	350,000,000.00

Chart 3.1.7 State Pension Programs for the Elderly, Mexico, 2011

Source: elaborated by the Inter-American Conference on Social Security for CONEVAL based on data from INFOMEX website from the Federal District, Chiapas, Jalisco, Oaxaca, Puebla, Chihuahua, Queretaro, Quintana Roo, Nayarit, Nuevo Leon and Sonora. Information on Colima was obtained from the Institute for the Attention of Adults in their Plenitude website (www.iaap.col.gob.mx); on State of Mexico from the State Council for Women and Social Welfare website (www.edomexico.gob.mx/cemybs/HTM/principal.htm), and on Veracruz from the Official Gazette of the Government of the State of Veracruz website (www.difver.gob.mx/transparencia2/FRACC. por ciento20XIII/13ROPPAAM70.pdf).

Invalidity and life pensions

The general invalidity insurance consists of benefits for individuals with strong disabilities, such as blindness, deafness, paralysis, or a missing limb. It protects people and homes against chronic or temporal disability to work and receive an income. The existing social security programs only provide protection to those who contribute to the program. Generally, the invalidity and live insurance includes the survivors insurance, which is a benefit guaranteed to the immediate family group in the event of an early death. Furthermore, handicapped people can have access to health services.

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The invalidity and life insurance from IMSS offers protection against the risk of invalidity and death to the contributing member or the disability pensioner. It offers benefits to the worker who quotes less than 250 weeks (150 if the disability is over 75 percent and 150 weeks for life insurance).

In the event of the decease of the insured of pensioned due to invalidity, the insurance provides a lifelong pension to those dependent on the insured.

The payment of the invalidity pension is suspended during the time in which the pensioned is collaborating in a position equal to that in which he labored when the pension was declared. If a person hast the right to an invalidity and life pension, as well a pension from the labor risks insurance, it receives both as long as the sum does not exceed one hundred percent of the highest wage of those used as base to determine the amount of the granted pensions. The adjustments for not exceeding the stated limit will not affect the pension derived from the labor risk insurance.

Invalidity exists when the insured is unable to procure itself, by means of an equal employment, a remuneration fifty percent superior than its habitual remuneration during its last year of labor, and when that disability is derived from an illness or non professional accident. The declaration of invalidity must be performed by IMSS. Invalidity pensions may be temporal or definite.

Since the 1997 reform, invalidity pensions have replacement rates of 40 percent, which is similar to that of other countries. Similarly, since the late 1980's until the 1990's, various reforms placed widower's pensions at 90 percent, which is a high figure in contrast with other replacement rates (it was reached as a consequence of the low value of pensions on previous decades).

There are few invalidity and life pension programs from local governments.

Widowers and orphanage pensions

Due to the fact that women tend to live longer than men, any given level of savings for retirement results in less annual pensions for women, especially if the gender specific mortality tables are used to define the level of the monthly pension.

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Most of the pension systems in Latin America divide the existing benefit, due to the decease of the insured titleholder, to all the survivors that gather the eligibility requirements (spouse, children, and dependent parents, among others); this implies that 100 percent of the benefit must be divided among several people, thus affecting larger families. This is the reason why orphans in most of Latin American countries are not well protected by pension systems.

The legal practice brings orphans a total benefit considerably inferior to the amount paid to a widow. For example, a typical norm may grant a widow with 70 to 90 percent of the paid benefits of one deceased, but only between 20 and 30 percent to an orphan of both of its parents. In addition, the total benefit for children may be covered (for example, if the benefit for the orphan is 25 percent of a reference benefit; if there are more than four children the total benefit is proportionally reduced so it does not exceed 100 percent). This norm sets children who need the most support in disadvantage. The total amount of orphans has been decreasing in almost all countries of the American continent, thanks to the diminishing of general mortality. However, a renewed interest in orphans must be convened, especially if they have lost both of their parents.⁶³ Due to the mentioned tendencies in mortality, to improve or broaden orphanage pensions is not particularly onerous.

Occupational risk pension

Occupational risks are the accidents and diseases to which workers are exposed during practice or as a consequence. It is considered as an occupational accident every organic injury or functional perturbation, immediate or subsequent; or sudden death during practice or due to the labor, at any given place or time in which such work is performed. It is also considered as an occupational accident, those caused during the worker's transportation, directly from its residence to its workplace, or vice-versa. An occupational disease is every pathological state derived from the continuous action originated at or caused by labor, or in the environment in which the worker is forced to provide its services. In all cases, occupational diseases will be those stated in the Federal Labor Law.

⁶³ It is necessary to deepen in the diagnosis and perspective of the scenarios associated to different domestic configurations; in this particular case, for example, how to grand and under what criteria the orphanage pension in cases in which the children do not reside with their parents or female-headed households.

In Mexico, workers from the private sector that quote with IMSS acquire within the insurance packages offered by the institution, insurance for professional risks to protect themselves against accidents and diseases to which they are exposed to at their workplace.

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To enjoy the monetary benefits, the insured that suffers an occupational accident or disease must undergo medical examination and the treatments determined by IMSS, except otherwise specified by the cause. IMSS must notify the registry when an accident or disease is qualified as occupational, or in case of relapse.

iv. Diagnosis of risks associated to income

Chapter I presents the difficulties that the Mexican economy faced in 2009 in matter of the double international crisis of the costs of food and financial. Chapter II describes the level of poverty in 2010 and its changes in contrast with 2008. It was said that poverty increased, despite of the improvement of the health deprivation, social security, dwelling and education indicators, and that there was not an increase in extreme poverty. The increase was due to a rise in the number of people deprived from access to food and an income below the wellbeing line, that is, the poverty level in 2010 would seem to be related to the crisis in food costs and the international financial crisis.

As follows, the programs and actions of the Federal Government aimed to fight poverty or focused in assisting the population under this circumstance are examined. The selection of programs was made considering two criteria: a) those whose target and purpose, according to their indicator matrices, are aimed to poverty; and b) those classified in a Public Account category related to poverty.⁶⁴ What these programs have in common is that they support poor and vulnerable households to face the risk of having insufficient incomes to acquire a basic food basket or having low human capital.

Anti-poverty Programs

The Federal Government had 19 programs related to the overcoming of poverty in 2012 (chart 3.1.8). These belong to two budget functions of the Account of the Federal Public Treasury: "social assistance" and "urbanization", and "regional dwelling and development".⁶⁵ In 2011 they represented a total of 29 percent of the resources approved for such budget functions, equivalent to the pursuit of 71,801.1 million pesos.

⁶⁴ That is, those budget programs belonging to the institutional activities of "Support for the income, health, and education of families in poverty", "Support for the elderly in poverty", "Attention to the urban and rural population in poverty", "Support for traditional artisans, the unemployed and laborers in poverty" of the social development functional group, among others.

⁶⁵ It is important to highlight that it is possible to carry out other categorizations of programs in reference to the overcoming of poverty. For the purposes of this report, both mentioned were considered.

These 19 programs represent seven percent of the whole 273 programs of social development in the *CONEVAL* inventory and 16 of them were object of the *Consistency and Results Evaluation (CRE)* in 2011-2012 (this subgroup pursued 69,257 million pesos in 2011); the information on results belongs to this last group.

Budget programs	Budget function of the Account of the Federal Public Treasury	CRE 2011-2012
Program for the acquisition of national milk on behalf of LICONSA	Social assistance	No
Services for groups with special needs	Social assistance	No
Evaluation and assessment of social programs	Social assistance	No
3 x 1 Migrant program	Social assistance	Yes
Oportunidades Human Development Program	Social assistance	Yes
Food Support Program	Social assistance	Yes
Credentialing for the Elderly	Social assistance	Yes
70 and Over program	Social assistance	Yes
Social Milk Supply Program on behalf of LICONSA	Social assistance	Yes
National Fund for the Development of Arts and Crafts (FONART)	Social assistance	Yes
Care Program for Agricultural Workers	Social assistance	Yes
Temporary Employment Program (TEP)	Social assistance	Yes
Program to support residents in conditions of asset poverty to regularize irregular human settlements (PSRCAPRIHS)	Urbanization, dwelling and regional development	Yes
Habitat Program	Urbanization, dwelling and regional development	Yes
Productive Options Program	Urbanization, dwelling and regional development	Yes
Tu Casa Savings, Subsidy and Credit for Dwelling	Urbanization, dwelling and regional development	Yes
Rural Dwelling Program	Urbanization, dwelling and regional development	Yes
Program for the Rescue of Public Spaces	Urbanization, dwelling and regional development	Yes
Program for Priority Areas Development	Urbanization, dwelling and regional development	Yes

Chart 3.1.8 Anti-poverty Programs, Mexico, 2011-2012

Source: Federal Public Treasury Account and Consistency and Results Evaluations 2011-2012.

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Expense of the anti-poverty programs

The situation of the expenditure executed by the programs linked to overcoming poverty in 2008-2012 is presented below. The relative importance of the expense of the group of poverty programs in regards to the "social assistance" and "urbanization, dwelling and regional development" budget functions are analyzed, as well as the expense of the 16 programs with annual evaluation determined by CONEVAL in 2008-2011.

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The anti-poverty programs of the Federal Government belong to the social development functional group. They are focused in two budget functions; 12 of them take part of the social assistance function and seven from the urbanization, dwelling and regional development; thus the *Oportunidades* program also pursues resources from the education and health functions.

The expenditure executed by *Oportunidades* is the largest among all programs for the overcoming of poverty, it receives resources from three functions (social assistance, education and health). With illustrative purposes, the expense of a subgroup of programs is contrasted with the social assistance function, but it should be considered that the fraction corresponding to *Oportunidades* includes resources from other two functions.

In graph 3.1.9 it can be observed that from 2008 to 2011 all 12 anti-poverty programs belonging to the social assistance budget function pursued an expense similar or higher than that of this function. Graph 3.1.10 represents the seven programs of the urbanization, dwelling and regional development budget function, which constituted 9 percent of such function, that is, 4,669 million pesos.

Graphs 3.1.11 and 3.1.12 show that the resources pursued by the anti-poverty programs with annual evaluation determined by CONEVAL (16 out of 19) increased in 22,500 million pesos between 2008 and 2011, which represents an increase of 31 percent between the mentioned years.

Chart 3.1.9 presents the executed expenditure in 2008 and 2011 by the anti-poverty programs. The program with the most expenditure in absolute terms was *Oportunidades* that in 2011 executed 58,700 million pesos,⁶⁶ an amount 24 percent higher than in 2008.

⁶⁶ This amount considers the contributions made to the program by SEDESOL, SALUD and SEP.

Graph 3.1.9 Expenditure executed by the poverty programs compared to the social assistance budget function in the expense of social development, Mexico, 2008-2011. (Million pesos, January 2011)

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Source: CONEVAL Federal Social Development Programs and Actions Inventory; Federal Public Treasury Account.

Graph 3.1.10 Expenditure executed by the poverty programs belonging to the urbanization, dwelling and regional development budget function of the expense in social development, Mexico, 2008-2011. (Million pesos, January 2011)



Source: CONEVAL Federal Social Development Programs and Actions Inventory; Federal Public Treasury Account.

The public policy instruments with the most pronounced relative variation in 2008-2011 were the *Program for the Acquisition of National Milk* on behalf of LICONSA and the *Food Support Program.* The expense of the first increased from 31.34 million pesos in 2008 to 1,738.6 million pesos in 2011 and the second from 474.6 to 3,695 million pesos; this represented a variation of 5,447.5 and 678.5 percent, respectively. The most significant increases took place during the fiscal year 2009 compared to 2008.





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Source: CONEVAL Inventory of Federal Programs and Actions for Social Development. Federal Public Treasury Account.

Graph 3.1.11 Total expense pursued by the poverty programs evaluated in 2008-2011, Mexico. Percentage variation



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development. Federal Public Treasury Account 2011. This means that, among the programs and actions taken by the Federal Government to deal with poverty in the context of the 2009 crisis, *Oportunidades* and PAL obtained a privileged financing when compared with the rest of the programs.

Chart 3.1.9 Expenditure executed by the anti-poverty programs, Mexico, 2008-2011

	Fiscal year (in constant pesos)				Variation
	2008	2009	2010	2011	2008-2011
Program for the acquisition of national milk on behalf of LICONSA	31.34	1,355.10	1,464.57	1,738.56	5,447.51
Services for groups with special needs	232.95	218.78	220.32	229.32	-1.56
Evaluation and assessment of social programs		33.29	28.00	29.90	
3 x 1 Migrant program	566.64	561.68	562.71	546.34	-3.58
Oportunidades Human Development Program	47,393.81	49,243.85	59,075.97	58,700.24	23.86
Food Support Program	474.62	1,305.17	3,680.00	3,695.14	678.55
Credentialing for the Elderly		38.30	30.21	0.00	
70 and Over program	10,988.03	13,450.02	13,411.44	12,972.30	18.06
Social Milk Supply Program on behalf of LICONSA	3,158.72	1,410.76	1,214.60	1,180.00	-62.64
National Fund for the Development of Arts and Crafts (FONART)	112.90	87.06	92.70	74.52	-34.00
Care Program for Agricultural Workers	169.78	231.54	229.96	203.45	19.83
Temporary Employment Program (TEP)	1,708.76	2,667.26	3,028.35	2,999.44	75.53
Program to support residents in conditions of asset poverty to regularize irregular human settlements (PSRCAPRIHS)	322.90	319.59	266.93	219.83	-31.92
Habitat Program	2,174.64	2,713.53	4,276.80	3,549.25	63.21
Productive Options Program	1,327.46	1,013.42	786.77	478.74	-63.94
Tu Casa Savings, Subsidy and Credit for Dwelling	1,887.82	1,847.14	2,144.24	2,018.73	6.93
Rural Dwelling Program	810.86	817.55	623.88	1,231.47	51.87
Program for the Rescue of Public Spaces	1,464.55	1,251.24	1,365.52	1,314.01	-10.28
Development of Priority Areas Program	0.00	7,987.45	7,564.22	5,876.56	
Total	72,825.78	86,552.73	100,067.18	97,057.79	33.27

Source: CONEVAL Inventory and Federal Public Treasury Account

Note: The expenditure executed by Oportunidades considers the contributions made to the program by SEDESOL, SEP, and SALUD.

The 2008-2011 variation of the programs that did not exist in 2008 was calculated with 2009.

The 2008-2011 variation of the programs that did not exist in 2011 was calculated with their last year of operation.

Overcoming of structural poverty through the Oportunidades Human Development Program

Oportunidades began operations in 1997 (formerly *Education, Health and Food or Progresa*).5 Its creation was an element of the former rural reform and the social development policies, not only for the population initially defined as a target, but because its design was based upon the findings directly related with the fields,⁶⁷ the dynamics of households,⁶⁸ their socio-demographic features,⁶⁹ the use of data and

⁶⁷ Poverty was spread across the rural areas in a greater extent than in urban areas and poverty in the field was more intense than in the cities (Levy, 1994; Escobar, 2001).

⁶⁸ Based on socio-demographic and anthropologic studies (González de la Rocha, 1986 and 1994), it was determined, in one hand, that the center of attention should be the households and not the individuals, since this is where the

geographical information systems ahead of its time,⁷⁰ as well as in the adjustment of its operations according to the appreciation on a pilot exercise⁷¹ on behalf of public servants from different entities and educational background⁷². Since then, it has become the Mexican government's main social policy instrument to overcome poverty.

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The program, on behalf of the *National Coordination for Opportunities* (formerly Progresa), took the households in the rural areas as units of intervention and aimed to improve the health level of all the members of the beneficiary domestic groups, as the children's education levels, with special attention towards girls. The intention was to change the mentioned socio-demographic variables and allow that the children who received the support could merge into the labor market once they reached the proper age. In addition, the program was different to what had been previously done by the Mexican social policies in that it contemplated as an inherent part of its operation, to grant direct monetary transfers conditioned to the assistance of all the members of the beneficiary households to health units and the assistance in school of every child in age to course any grade between the third grade of Primary education and third grade of Secondary education,⁷³ the permanent monitoring of the operation.

In 2010, the *National Coordination for Opportunities* was also responsible for the operation of the *Food Support Program* (PAL), previously on behalf of *DICONSA*. The intention was that *PAL* serviced those households identified in food poverty conditions and that could not be serviced by *Oportunidades* due to the fact that they did not count with health and/or educational services nearby.

decisions regarding expenses and consumption are made. On the other hand, it was established that the most critical stage of the domestic life cycle is the settlement (that is, the moment from the marital union of the couple to the phase when the woman's fertile life comes to an end; it is a complicated period since there is usually an unfavorable dependency relation -there are small children that consume, yet do not contribute-; in many cases, the mother cannot work and contribute economically to the domestic expense, or she works part-time, for she takes care of the raising the children), reason why it was established to support these homes (González de la Rocha, 1986 and 1994; Cortés and Rubalcava, 2012).

⁶⁹ High rates of maternal and infant mortality, under the use of birth control.

⁷⁰ In 1995, the National Population Council created maps containing every location in the country represented according to population, level of marginalization and the distance that kept them from highways and roads. Then, none of the entities and dependencies of the Federal District had this type of information at a local level (Cortés and Rubalcava, 2012). The identification of the socio-demographic features of the poor families that propitiated the integral transmission of this condition along with the placement of the localities where most of the households with this features was concentrated, was one of the key elements that contributed to the success of the program.

⁷¹ In 1995 the Food, Health and Education Program (FHEP) was implemented in the municipalities of Campeche as a trial to value the income transfer to the poor population (Levy and Rodríguez, 2005: 67).

⁷² In the construction of *Progresa* there was the participation of public servants of the Ministry of Health, the Ministry of Social Development, the Ministry of Finance, as well as the Secretariat General of the National Population Council of the Ministry of Government and the Office of the Presidency of the Republic. The academic background of these public servants was diverse, it included economists, health economists, nutritionists, statisticians, mathematicians, actuaries, demographers, sociologists, anthropologists, and geographers (Cortés and Rubalcava, 2012). Among the elements that were modified with the evaluation of the pilot exercise, it is worth mentioning the selection of households as the unit for attention instead of the individuals; the focusing program that considered taking polls at a local level and a "social controller" process to validate the results instead of focusing in the municipality; and the granting of monetary transfers in cash, rather than depositing in bank accounts, among others (Cortés and Rubalcava, 2012).

⁷³ Since 2002 scholarships were extended to higher secondary education.

Together, *Oportunidades* and *PAL* were present in 126,831 localities of every municipality and federal entity of the country in 2011. All together, their serviced population increased to 6.6 million households.

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Regarding the Oportunidades results in the matter of nutrition, it was identified that, after ten years of being beneficiaries, the children who received help during their first three years of life have better linguistic performance and better cognitive capacity, less malnutrition prevalence, that is an anemia prevalence 10 percent lower than those who were not beneficiaries and it was also identified that the small size prevalence diminished in locations of very high marginalization in 4.9 percentage points and in 10.3 in high marginalization areas. In a matter of health, it was found that beneficiaries have a better chance of taking their children to a health center when they show symptoms of being ill, that the probability of teenage pregnancy is higher among young girls with less time of exposure to the program, that beneficiary families had a better knowledge about their health condition and better disposition to take part in health campaigns. Regarding education, it was found that teenagers who have more time in the program reach higher educational levels and that a significant part of the scholarship holders located in the high punctuation deciles in the ENLACE-2007 evaluation (the Consistency and Results Evaluations, 2011-2012 can be consulted in this matter).

Among the long term effects of *Oportunidades* is the existence of a *relative*⁷⁴ occupational mobility pattern in which the "heritage" of the parent's occupation is quite strong, (the young people benefited by the program), with a heavier weight of the "heritage" amongst the young people who come from households where the father labored in agricultural activities. In the case of those who experienced mobility (ascending or descending), mobility is primarily at a "short distance", in other words, towards occupations similar to those performed by their parents (Yaschine, 2012: 197).

There are differences in the relative mobility related to the gender and no migrant condition of young people who are former Oportunidades beneficiaries, but not related to ethnicity or time of exposure to the program. On one hand, this is due since males have a better probability of "inheriting" the father's occupation; the chances of this occurring in females are lesser, which means that they can perform different activities than their parent's easier. On the other



⁷⁴ It is referred as relative mobility to the probability of the members of an occupational group to change positions with respect to another group, regardless of the structural economic and demographic changes; it is basically the result of the individual's effort and it constitutes a proximity to equal opportunities. In contrast, absolute or structural mobility refers to global changes that occur in a structure of positions. It may be the result of changes in population, economical growth or the sector composition of the labor market. Analyzing structural mobility allows observing the creation or limitation of mobility opportunities, regardless of the person's social origin or individual merit (Solis, 2005; 2007). It could be said that absolute mobility is a gross measure, while relative mobility is a net measure.

hand, young people that migrate from their place of origin have also a higher probability of performing different works as their parent's, in comparison with former beneficiaries who continue residing in their place of origin. It is worth to mention that the mobility of young migrants has a better probability of being of long distance; that is, to perform activities very different than that of their parents. On the contrary, there does not appear to be a difference between indigenous and non-indigenous (Yaschine, 2012: 200-208).

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Thus, considering the breadth of its registry of beneficiaries and its territorial presence, the Federal Government considered that *Oportunidades'* operation network could be one of the instruments through which poor and vulnerable homes could be supported during the crisis of 2009.⁷⁵ In this context, the coverage of *Oportunidades* grew from 5 million in 2007 to 5.2 millions in 2009 and 5.8 millions in 2010, while *PAL's* stepped from 126,300 households in 2008 to 673,500 in 2011. Additionally, a new output was created ("Vivir Mejor" program) in July, 2008, with the specific purpose of contributing to improve the income level of the beneficiary households. It consisted in a direct monthly transfer of 120 pesos to every beneficiary in the program that corresponds to an approximate increase of 20 percent from the transfers received by the beneficiaries of *Oportunidades* and 45 percent by *PAL* beneficiaries.

However, the increase in the level of poverty in 2010 represents a sign that this strategy did not work with the efficiency expected. Specially regarding Oportunidades, this may be due to the fact that the program is not actually a instrument of public policy designed to face the situational economic events that may take effect in the short term in the households' income-expense structure, but rather a long term intervention planned to overcome "structural" poverty through the interruption of the "poverty's vicious circle" (Hernandez, Gomez de Leon and Vazquez, 1999). Incorporating more families in the program with the intention of reducing poverty in the crisis could have caused that the newly incorporated families had only incurred in poverty temporarily, which could be distorting the original nature of the program. Another factor that could have influenced is that the most substantial and efficient part of Oportunidades and the Food Support Program is set in the rural area, yet the crisis was mostly related with those who resided in cities and locations in the borderline with the United States. Furthermore, the target population of both programs are households that live in extreme poverty whose features are the lack of a formal employment, however, the characteristic of urban workers that could have been affected by the crisis in a deeper way is the fact that they rely on a formal employment.

⁷⁵ The Federal Government implemented the National Agreement in favor of Household Finances and Employment in January, 2009, which strengthen Oportunidades, the Food Support program and the Temporary Employment program; in addition, it procured to reinforce the National Employment Service and broaden the coverage of the Social Service from two to six months for workers that had lost their job, among other actions.



Graph 3.1.13 Poverty measurement according to the support of governmental transfers, 2010

Population in poverty (millions of people) Population in extreme poverty (millions of people)

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Source: elaborated by CONEVAL.

Now, it must be considered that even if the fall of the GDP in 2009 and 2010 was similar to the crisis of 1994-1995, poverty did not rise with the same magnitude, and extreme poverty remained at the same level, which could be due to the incidence of programs such as *Oportunidades* and PAL.

Overcoming of short term poverty through the Temporary Employment Program

The Temporary Employment Program (PET) was created in 1995. Even though its implantation was part of the response of the Federal Government to the economic crisis of 1994-1995, *PET*, as *Oportunidades*, takes part of a wide group of public policy actions performed with the purpose of organizing the social spending, redirecting it to the rural sector, that is to say, it takes part of the generation of programs applied in the decade of the nineties that were characterized by their innovative design and the search for effective focusing criteria. In contrast with *Oportunidades*, *PET* was created as a self-targeting program that granted low monetary benefits for a short period of time with the purpose of assuring the participation exclusively of rural workers living in extreme poverty.⁷⁶

Initially, the administration and financing of *PET* relied on the participation of the Ministry of Environment and Natural Resources (SEMARNAT), the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA), the Ministry of Communications and Transportation (SCT) and the Ministry of Social Development (SEDESOL). However, in 2008 SAGARPA ceased its participation and recently the Ministry of Labor and Social Security (STPS) joined as a coordinator, yet not as a funder.



⁷⁶ Between 1995 and 2002 the benefit provided by *PET* consisted in 90 percent of the current minimum wage, starting 2003, it was increased to 99 percent. The beneficiaries can work a maximum of two working days per day and up to 132 per fiscal year.

The program achieved one of its highest peaks in budgetary and coverage terms between 1995 and 2000, generating around one million temporary employments in 1999-2000. Nevertheless, in the 2000-2006 federal administration, the budget and the population serviced by the program decreased abruptly. In the 2006-2012 federal administration, *PET* increased its budget once again⁷⁷ and its serviced population increased once more, without reaching the level of its first five years of operation.⁷⁸

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Among the results achieved by the program, it is worth to highlight: a) that in 2009-2010 the federal entities with higher rates of poverty received a higher proportion of the program's budget; b) there is a positive relation between the proportion of beneficiaries before the crisis and the budget proportion that they received in subsequent years; c) there is a relation between the unemployment rate in a federal entity and the assignment of resources in that place (an increase of a percentage point in the unemployment rate, for example, increases the budget proportion received in 0.5 percentage points); and d) the program shows a proper budgetary response in urban areas with high unemployment rates (an increase of 0.209 en the total budgetary proportion with a growth of one percentage point in urban areas) (World Bank, 2011: 49-52).

The importance of the *PET* relies on being basically the only public policy instrument that tries to support poor workers that do not have access to contributory social security institutions and find themselves in even more vulnerable situations due to unexpected and transitory events. Thus, the Federal Government considered that within the context of the crisis of 2009, *PET* could be one of the privileged public policy instruments to deal with the adverse context. This way, its executed expenditure grew 958.5 million pesos in 2009 in respect to 2008, the territorial units where the program operated were broaden in 2009 and 2010 from only rural to include the urban, and the number of daily wages granted, deeds and benefited people increased. It is evident that the modest expansion scale of the program and the expense did not represent a proper response upon the magnitude of the crisis.

One of the factors that must be considered when evaluating PET's development in this situation is that, until then, its operation had been exclusively rural, yet the crisis was related mostly to urban areas in such way that would be necessary to consider a fate in the learning curve for its implementation in this type of territorial units. It is necessary to highlight those strategies as those implemented by *PET* seem more efficient to make front to crisis like that of 2009, although the amount of the program seems insufficient. In conclusion, it is necessary to strengthen instruments as *PET* that contribute to reduce the effects of the circumstances over the economical wellbeing and the income, or consider the option of designing new programs (for example, creating a contributory unemployment insurance) that compliment them.

Overcoming poverty in small, scattered or new localities

⁷⁷ In 2009, the program pursued 2,667 million pesos (figures expressed in 2011 constant amounts), 56 percent higher than in 2008; while in 2010 it pursued 3,028 millions, 13.5 percent higher than in 2009 and 77 higher than in 2008.

⁷⁸ In 2009, PET serviced 262,446 people, 39 percent more than in 2008; while in 2010 it serviced 582,044, 122 percent more than in 2009, but 208 percent more than in 2008.

One of the most important opportunity areas in social protection programs intended to protect against income insufficiency to acquire a basic food basket, is attending households identified as eligible to receive the benefits, but which is impossible to help due to budgetary issues.

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In 2010, there were 505,910 households that could eventually receive support from *Oportunidades* or the *Food Support Program*. From these, 47 percent reside in rural localities. The main difficulties to manage to grant this domestic groups the benefits of *Oportunidades*, is that they lack from health services in a specific ratio. Nonetheless, they cannot access the benefits of *PAL* either, since a high proportion of them are very small (72,652 households or 15 percent in locations smaller than one hundred inhabitants) and in some cases mobile (the so called "water ranches", that is, places where family groups move to during the harvest months). Additionally, in some cases there are differences in the location catalog of the National Statistics and Geography Institute (INEGI) and *Oportunidades*; in particular, the administrative personnel of the program hardly find them during the process of incorporating beneficiary households in new localities. The process for adding resident households in locations that do not appear in the catalog also obstructs their incorporation.

This problem suggests the definition of new public policy proposals that service the affected population for sudden changes in the market, climatic events or any other. In particular, it seems that in those circumstances the answer of a strategy like *PET* could be more agile than *Oportunidades*, since its eligibility test does not detect this short term changes, unless labor, dwelling and their assets are significantly damaged.

II. Economic welfare and income generation

In Article 11 the General Law of Social Development states that the national policy of social development has among its objectives to promote an social oriented economical development that propitiates and maintains labor, raises the level of income and improves its distribution; as well as to include the creation of employment and income, self-employment, and training for the overcoming of poverty (Article 14).

Economic welfare refers to the dimension of people's lives that allow identifying if their income is sufficient to satisfy their food or non food needs. (CONEVAL, 2011r: 64).

The National Development Plan (PND) 2007-2012 in axis 2 ("Competitive and employment generating economy") establishes a strategy with several objectives that coincide with this matter; among these the following can be mentioned: a) promote the State policies and generate the conditions in the labor market that boost the creation of high quality employment in the formal sector; b) boost productivity and competitiveness in Mexican economy to achieve a sustained economical growth and accelerate the creation of new employments; c) promote the creation, development, and consolidation of micro, small and medium-sized enterprises; and d) improve the income of producers while increasing their presence in global markets, linking them to the value adding processes.

Consequently, the guarantee of an economical wellbeing depends on the actions that allow "the economical promotion and improve the conditions of vulnerable populations or those with a low level of social development" (CONEVAL, 2011s).

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There are different ways of classifying the social development Programs and Actions aimed to the economical wellbeing. Two of the most common are the ones that privilege the creation of income (like the programs focused in job trainings or the formation of entrepreneurs) and those focused to the direct transfer of income (such as conditioned monetary transfers). In this section of the *Evaluation Report on Social Development Policy in Mexico, 2012,* the first type of classification stands out: it provides a description of the Programs and Actions for the creation and maintenance of employment, for supporting producers, micro-entrepreneurs or the financing of productive activities that promote the generation of income. The income transfer programs related with other social dimensions are examined in the corresponding sections.⁷⁹ One of the primary functions of direct transfers is the protection against unexpected economical crises that may have impoverishing effects, as analyzed in the previous section.

This implies a strong association between the economical wellbeing perspective and the creation of income with the disposition of economical resources on behalf of individuals and their households, with which it is logical to be highlighted in a matter of employment and productive activity, for these are some of the primary ways in which the economical resources that guarantee people's wellbeing are obtained.

⁷⁹ According to the CONEVAL Federal Social Development Programs and Actions Inventory, in 2010, the Federal Government had a total of 87 monetary transfer programs, from which 32 are analyzed from the economical wellbeing perspective and 55 from other social perspectives. To give an idea of the importance of the last, it can be mentioned that their budget in 2010 ascended to 122,762.88 million pesos that is over the amount assigned to all the economical wellbeing programs in 2010. Additionally, 60 programs provide monetary support as well as goods and services, from these programs, 15 are considered to be in the economical wellbeing section and 45 are analyzed from another social perspective. These last programs had a joint budget of 124,816.38 million pesos in 2010. The Oportunidades Human Development Program, analyzed in this document from the food perspective, may be one of the programs with highest budget among those that grant monetary transfers and provide goods and services.

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A) DIAGNOSIS OF THE ECONOMIC WELFARE AND INCOME GENERATION SITUATION

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Regarding labor, the average unemployment rate was ⁸⁰ 5.3 percent in 2009 and 2011 and, although is one of the lowest in the OCDE —mostly due to the lack of an unemployment insurance in Mexico—,⁸¹ it is higher than last decade (less than 3 percent) and then at the beginning of the sexennial (3.8 percent in 2006-2008) (see graphs 1.2 and 3.2.1).

Graph 3.2.1 Unemployment rate in selected OCDE countries, 2003-2010



Source: elaborated by CONEVAL based on OCDE, 2010b.

Generally, in some population groups in our country employment is characterized by high rotation levels, lack of unemployment insurance (which greatly explains the low unemployment rates), workers who labor long shifts, greater than those worked in other OCDE countries,⁸² unfavorable conditions for women,⁸³ low salaries (59.4 percent of the employed population would receive less than three minimum wages and 74.4 percent less than five during the first quarter of 2012), and a high percentage of employed population without access to social security institutions,

⁸⁰ Percentage of Economically Active Population (EAP) that are not working, but are looking for employment. EAP refers to people 14 years old and over that during the reference week were either employed or unemployed (INEGI, 2011b).

⁸¹ The lowest unemployment rate in 2010 among the member countries Norway was registered with an average of 3.5 percent (2011 data was not available in June, 2012), while the highest was Spain with 20.1 percent (21.7 in 2011). The average unemployment rate in other OCDE countries was 8.6 percent in 2010 (OCDE, 2011). The unemployment rate is the average of the EAP that are not working but are looking for employment (INEGI, 2011b).

⁸² On an average, Mexicans work almost 10 hours a day (paid and unpaid) in comparison with an OCDE average of little more than eight hours (OCDE, 2011a and 2011b).

⁸³ In Mexico the difference in the time invested in unpaid labor between women and men is four hours and 21 minutes, the largest difference in the OCDE, where the average gap is two hours 28 minutes. In addition, Mexican women's participation in labor is relatively low when compared with men's (OCDE, 2011a and 2011b).

which is one of the signs of informality; this percentage increased from 59.4 in the second quarter of 2008 to 64.4 percent in the first quarter of 2012 (OCDE, 2011a; OCDE, 2011b; CONEVAL, 2010a; INEGI, 2011c; INEGI, 2012).

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Labor productivity in Mexico is low in relation with the countries members of the OCDE.⁸⁴ The countries rate of growth was -0.7 and -5.0 percent in 2008 and 2009, respectively. This rate is inferior to the OCDE rate (-0.1 and -1.6 percent, respectively). Notwithstanding that by 2010 Mexico grew 3.7 percent and was over the OCDE mean (2.9 percent), it is still far from compensating the cumulative losses (OCDE, 2011b).

Polarization of agricultural production is another of the problems in this perspective.⁸⁵ On one side, a reduced number of large enterprises is mainly dedicated to agroexport with high profitability levels and the capacity to compete in international markets; on the other side, a large number of small producers, increasingly dedicating to consumption production, mainly maize, beans and chili peppers, are gradually losing competitiveness and liquidity (Rubio, 1996: 113-163; CONEVAL, 2011 c). Consequently, in the last decades a good part of small and medium-sized rural producers has experienced problems as low productivity and competitiveness, lack of technical capacity and low profitability.

Other problems are those associated with micro-enterprises characterized by the scarce generation of employment for third parties,⁸⁶ with limited possibilities to access commercial credit, with low training and productive experience from the owners⁸⁷ and whose activity —if it varies depending on the sector— is carried out mainly at the household.⁸⁸ Most of these micro-businesses are set within spheres characterized by low entry costs, and the added problems of low sales and high competence. According to the results of the National Micro-business Survey in 2008, there were over eight million micro-businesses where approximately 12 million people worked at (INEGI, 2009). Micro-enterprises generated 52 percent of the GDP and 72 percent of the employment rate in Mexico (Pavon, 2010; CONEVAL, 2011d; 2011e).

Additionally, business competitiveness is considered a problem area that affects the economical wellbeing and the generation of income. According to the 2011-2012 Global Competitiveness Report of the World Economic Forum, Mexico is located in the 58th competitiveness position among 142 countries, and in respect to the 2009-2010 period, it moved two positions forward (to the 60th

⁸⁴ OCDE speculates that in 2011 the labor productivity in Mexico represents 33.4 percent of the labor productivity in the United States, the lowest productivity in the OCDE, and less than half of the average of the member countries 74.0 percent (OCDE, 2011a and 2011b).

⁸⁵ It is necessary to remember that rural activities can no longer be seen only in correlation to agricultural producers, land owners, or people who live in locations with less than 2,500 inhabitants. What was understood as "rural sector" must be complimented with those who live in locations with less than 2,500 inhabitants that dedicate or not to agricultural activities, as well as those who live in larger locations and have agricultural activities as an occupation, and migrant workers with constant mobility (Robles, 2001: 37).

⁸⁶ In regards to subordinate personnel, 48 corresponded to the employers' spouse and/or children and only 32 percent to people who were not related to them (INEGI, 2010).

⁸⁷ 30 percent of micro-business owners did not have any productive experience and only 28 percent had worked in the same production sector (INEGI, 2010).

⁸⁸ The 2009 economical census reports the existence of 3.7 millions of establishments in the private and Parastatal's sectors in non-rural sections for 2008. Out of these, 95 percent are establishments with less than 10 employees.

place) and eight positions (66th place) in 2010-2011. Among the main factors that affect competitiveness are governmental bureaucracy, access to financing, insecurity, and labor regulations (Schwab, 2010; Rubio and Baz, 2005; CONEVAL, 2011e).

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B) ECONOMIC WELFARE AND INCOME GENERATION PROGRAMS

The Federal Government had a total of 56 economic welfare and income generation Programs and Actions in 2011 (10.7 percent of the approved resources in 2011 for the functional economic development group, that is, 96,723.10 million pesos).⁸⁹ These Programs and Actions represent 20.5 percent of the total of 272 social development interventions gathered in the CONEVAL inventory. The common feature in this public policy instruments is that they contribute to the generation of productive assets and income.

From the 56 economic welfare and income generating Programs and Actions, 40 received Consistency and Results Evaluations in 2011-2012 and executed 79,725 million pesos in 2011; these are the Programs and Actions described in the subsequent sections about expenditure and results.

Graph 3.2.2 shows the economic welfare and income generation programs. A list including all the economic welfare programs can be consulted in Annex II.

⁸⁹ The number of programs considered in each strand (income, education, dwelling and food) changes every year due to compaction or disappearance of some Programs and Actions. Thus, for example, the 2010 Soporte and Organizate programs were joint together in the Program for the Development of Capacities, Technological Innovation and Rural Expansion in 2011. Furthermore, the programs CPSI, PIDEFIMER, and CPCC were joint into the Risk Management and Prevention Program. Moreover FAPPA, FONART, PFRI, POPMI, PROCAPI, FONAES, PCEZM, PAE, PAP, PASCL and PET are classified, according to CONEVAL inventory, as programs directly associated to the right to work, however, they were considered among the economic wellbeing programs. It is important to recall that programs with EED or CRE are only a sub-group of the programs classified in the CONEVAL inventory.



Graph 3.2.2 Number or economic welfare and income generation Programs and Actions by office, Federal Government, Mexico, 2011

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Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2011. Note: PEI⁹⁰ is —according to the CONEVAL Inventory— a program associated to the right of non-discrimination. However, it was included in the economic welfare and income generator program sub-group.

C) ECONOMIC WELFARE AND INCOME GENERATION PROGRAMS EXPENDITURE

In this section the expenditures made by the economic welfare and income generation Programs and Actions in 2008-2011 are described. The object is to contextualize their expenditure and identify which were the favored instruments —from the expenditure perspective— to promote economic welfare, relative importance of the program's joint expenditure in respect to the economic development budget function group,⁹¹ the expenditure in 2008-2011, as well as its relative variations in this period.

⁹⁰ The Childcare Program to Support Working Mothers (PEI) offers services that look forward to contributing that mothers with pre-school age children can take a waged employment and use their abilities to generate more income. Its expenditure in 2011 ascended to 2,562.9 million pesos.

⁹¹ In contrast with the expenditure by the programs from the social educational, food and dwelling perspective (contextualized in relation to the social development function), the economic wellbeing and income generation programs are compared to the economic development function group, since most of them take part of it. Annex I presents how the public expenditure is organized, and Annex II which are the economic wellbeing and income generation programs



Most of the economic welfare and income generation Programs and Actions of the Federal Government belong to the economic development functional group. The expenditure made by this group ascended to 899,092 million pesos 2011 (graph 3.2.3).

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Graph 3.2.3 Expenditure made by the economic welfare and income generation Programs and Actions in relation to the expenditure of the economic development functional group, Federal Government, Mexico, 2008-2011 (Millions of pesos of January 2011)



Source: Federal Public Treasury Account 2008. Federal Expenditure Budget Decree 2010 and 2011 and CONEVAL Federal Social Development Programs and Actions Inventory The 56 social development Programs and Actions aimed to economic welfare and the generation of income in 2011, executed 10.7 percent of the approved resources, that is, 96,723 million pesos. This proportion is 0.2 percentage points higher than in 2008, when the expenditure of economic welfare and income generation programs represented 10.5 percent, yet maintains a lower proportion from 2010 when this concept's expenditure was 11.3 percent of the functional group. This means that in 2008-2011, little more than one out of every 10 pesos from the economic development functional group was assigned to social development programs that promote economic welfare and income generation in Mexican households.

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Now, the 40 economic welfare and income generation programs evaluated in 2011 executed 79,725 million pesos from the total of 96,723 millions corresponding to the 56 economic welfare programs (graphs 3.2.4 and 3.2.5); this means that the evaluated programs executed 82.4 percent of the total expenditure of the economic welfare programs and 8.9 percent of the expenditure for the economic development function in 2011.

If the evolution of the expenditure of programs with annual evaluation by CONEVAL in 2008-2011 is observed (graph 3.2.4), the expenditure executed by the economic welfare federal programs evaluated increased constantly between 2008 and 2010 and then diminished by 4 percent in 2011 (graph 3.2.5).

In the 2008-2011 period, the relative variation in the expenditure of economic welfare and income generation Programs and Actions was a positive 4 percent (graph 3.2.5).

Graph 3.2.1 shows the expenditure made in 2008 and 2011 for the joint economic welfare and income generation programs. The group of programs with the highest expenditure was the support to producers —constituted by three programs— that in 2011 executed 32,648 million pesos, 33 percent less than in 2008; this variation is due, in a great extent, to the joining of programs in SAGARPA.⁹²

⁹² Existing in 2010, Soporte and Organizate merged in the *Program for the Development of Capacities, Technological Innovation and Rural Expansion in 2011*; while CPSI, *PIDEFIMER* and CPCC joined the *Risk Management and Prevention Program.*



Graph 3.2.4 Total expenditure of the economic welfare Programs and Actions evaluated annually by CONEVAL in 2008-2011. Federal Government, Mexico. Million pesos in January, 2011

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Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2008, 2009 and 2010; Federal Public Treasury Account.

Graph 3.2.5 Total expenditure of the economic welfare Programs and Actions evaluated annually by CONEVAL in 2008-2011. Federal Government, Mexico. Percentage variation



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2008, 2009 and 2010. Federal Public Treasury Account 2011

The groups of programs with the most important positive percentage variation regarding expenditure are the ones directed to the financing of productive activities (whose growth has been 215 percent), even though this can also be explained by the organization of theme groups due to the merging of programs into SAGARPA. Between 2008 and 2011 the group micro-business programs that kept the same three programs since 2008, increased the joint expenditure by 64 percent, and the ones labeled as "others", which mostly do not rely on evaluations, increased from 26 to 28 programs between 2008 and 2011.

The group focused on supporting producers was the one with the most pronounced expenditure depression between 2008 and 2011 —constituted by four programs in 2008 and six in 2011—, since its budget decreased by 33 percentage points, mainly because of the expenditure depression of the *Support Program for Equipment and Infrastructure Investment* (whose decrease was 13 percent) and the *Program for the Development of Capacities, Technological Innovation and Rural Expansion* (14 percent decrease) in the period.

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Theme groups of economic welfare programs	Exec expen (Millions c Januar	Percentage Variation	
	2008	2011	2008-2011
Employment generation and conservation	13,091.14	14,620.58	11.68
Support to producers	48,465.11	32,647.86	-32.64
Financing for productive activities	7,569.26	23,904.15	215.81
Micro-entrepreneurs	1,548.41	2,533.61	63.63
Business promotion	11,298.21	8,233.02	-27.13
Others	11,771.48	14,783.88	25.59
Total	93,743.61	96,723.10	3.18

Chart 3.2.1 Expenditure executed by the economic welfare and income generation Programs and Actions, Federal Government, Mexico, 2008-2011.⁹³

Source: CONEVAL Inventory and Federal Public Treasury Account

Note: The education Programs and Actions were reunited in thematic groups with the Comprehensive Performance Evaluation of the Federal Programs. The reference point for their grouping in all years are the Comprehensive Evaluations 2010-2011

The program merging carried out by SAGARPA in 2011 modified the composition of the support group for producers with the disappearance of the Care Program for Structural Issues (CPSI).

The program merging by SAGARPA in 2011 also modified the composition of the productive activities financing group in respect to 2008-2010, which now includes the *Risk Management and Prevention Program* (result of the merging of *CPSI*, *PPDFRS* and *CPCC*), this new program executed over 20.316 million pesos in 2011, thus the percentage growth of the expenditure in this theme group.

⁹³ The theme groups of economic wellbeing and income generation programs are:

i. Employment generation and conservation programs: Childcare Services, Childcare Program to Support Working Mothers, Temporary Employment Program, Employment Support Program, Productivity Support Program (executing resources since 2009) and the Care Program for Situations of Labor Contingency.

ii. Support programs for producers: PROCAMPO, Support Program for Equipment and Infrastructure Investment, Program for the Development of Capacities, Technological Innovation and Rural Expansion, and the Care Program for Structural Issues (which merged with PIDEFIMER and PAC in the Risk Management and Prevention Program).

iii. Programs for the financing of productive activities: Risk Management and Prevention Program, Program for Women in the Agricultural Sector, Support Fund for Productive Projects, Productive Options Program, Young Rural Entrepreneur and Land Fund Program, Productive Organization Program for Indigenous Women, Indigenous Regional Funds Program, Coordination Program Indigenous Production Support, National Fund for the Development of Arts and Crafts, and the Program for the Promotion and Development of Financing for the Rural Sector (merged with PAPE and PAC into the Risk Management and Prevention Program in 2011).

iv. Micro-entrepreneurs program group: Businesses in Solidarity National Fund, Fund for Micro Financing of Rural Women, and National Fund to Finance Micro-Entrepreneurs

v. Group of enterprise promoting programs: Fund for the Support of Micro, Small and Medium Enterprises, Program for the Development of the Software Industry, Competitiveness Program for Logistics and Supply Markets, Industry Competitiveness Promotion Program, Program for the Development of High Technology Industries (existing since 2009), Job Creation Program in Marginalized Areas (existing since 2009).

vi. The group of programs considered as "others" corresponds to those classified as a direct influence on economic wellbeing in the CONEVAL 2010 Inventory. The list of programs can be reviewed in Annex II.

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It is important to note some of the economic welfare and income generation programs, particularly those that stood out for their expenditure level in 2011 or for their significant relative growth in 2008-2011. Among the first are the *Risk Management and Prevention Program*, that began operations in 2011, with an expenditure of 20,316 million pesos, followed by the *Support Program for Agricultural Income PROCAMPO* (17,115 million pesos) and the *Support Program for Program for Equipment and Infrastructure Investment* (11,398 million pesos).

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Among the economic welfare and income generation programs in 2011, the *Childcare Service Program* —from the employment conservation and generation program group— also had one of the wealthiest budgets (7,722 million pesos); this could be due to the fact child care demands high operation costs derived from the hiring of professional personnel, the training of the people involved in taking care of the children and the adequacy of the places where the childcare centers are set.

The programs that stand out for their budget variation in 2008-2011 are *Productive Organization Program for Indigenous Women* (that increased from 205 million to 461 million pesos, which equals a growth of 124 percent), the Care Program for Situations of Labor Contingency (increased from 23 million pesos in 2008 to 50 million pesos in 2011, that is, a growth of 119 percent) and the *Coordination Program for the Support to Indigenous Production* (increased from 125 million to 257 million pesos, that is, a grow of 105 percent).

The expenditure level of executed by the *Temporary Employment Program* in 2008-2011 is notoriously lower than it was in 2000, when it reached 6,707 million pesos;⁹⁴ that is, 2.2 times higher than the 2011 expenditure.

D) RESULTS OF THE ECONOMIC WELFARE AND INCOME GENERATION PROGRAMS

This section presents the main results of the evaluated group of Programs and Actions of the Federal Government in regards to economic welfare.

⁹⁴ Constant pesos during January, 2011 The expenditure of the *TEP* diminished in every fiscal year between 2000 and 2006, and stoop from 6,707 million pesos during the first year to 1,354 million pesos in the last. In 2007 TEP had the firs budgetary increase of the decade, decreased once more in 2008, kept a growing tendency between 2008 and 2010, and diminished 1 percent during the last year. The contributions of SEDESOL, SEMARNAT and the SCT are considered within the TEP expenditure.
I. Employment generation and preservation

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- The 2010 Impact Evaluations of the *Employment Support Program* shows that there are positive effects for beneficiaries in all the "Becate" modalities. The most significant effects are found in the *Mixed training* and the *Training in the labor practice*. The impacts on the income for the other two modalities, *Training vouchers* and *Self-employment training*, are positive, yet moderate. The program mainly services urban areas.
- The Childcare Centers Program to Support Working Mothers increased the number of working mothers in five percent, in contrast to those who did not receive support. In addition, it reduces the time for child care in about half an hour daily for benefited mothers or fathers. It is necessary to continue with the security actions in childcare centers.
- The Temporary Employment Program is one of the most helpful programs when contributing the constitution of a social protection network, since its objective is that the consumption of the population living in poverty does not experience pronounced fluctuations due to economic cycles (or situational crisis).
- II. Support to producers
 - According to ENIGH 2010 data, *PROCAMPO* presents a significant increase in progress starting the new focusing actions based on the modification of its operation rules in 2009.⁹⁵
- III. Financing for productive activities
 - The survival of the endeavors of the *Program for Women in the Agricultural Sector* was 84 percent. However, it is not possible to attribute these results exclusively to the program

⁹⁵ It is necessary to verify the statistical importance of this change in its redistribution incidence. See section on distributive incidence and equity of social spending in this report.



- IV. Micro-entrepreneurs
 - The percentage of units that continue operating after three years of financing from the *Businesses in Solidarity National Fund* —to start or expand their business —, increased to 85 percent. Nevertheless, it is not possible to attribute these results exclusively to the program

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V. Business promotion

 In 2008-2009, 75 percent of the enterprises benefited by the PYME Fund increased their productivity by six percent, whereas those that were not benefited grew in 1.8 percent. Likewise, the supported enterprises increased their annual sales in 158,141 pesos and those without support only in 85,145 pesos. On the other hand, micro, small and medium-sized enterprises that received support did not report any growth in their workforce.

E) CONCLUSIONS

- The labor market outlook faced by the public policy through the economic welfare Programs and Actions of the Federal Government is characterized by a) low unemployment rates, yet higher than those registered the previous decade and at the beginning of the sexennial; b) high underemployment rates, high rotation employment, lack of unemployment insurance, low salaries and high percentage of population employed in informal activities; c) low labor productivity; d) significant depression of agricultural employment with insufficient job positions in the agro-export sector; e) within the rural sector, on one hand, a small number of large enterprises is mainly dedicated to exportation in a profitable manner and, on the other, a great number of small producers lack in competitiveness and liquidity; f) micro-enterprises with a low capacity to generate employment, with low labor training, insufficient commercial credit, and primarily based in the household workforce; and g) insufficient international competitiveness.
- In order to deal with this, the Federal Government undertook actions to increase and maintain employments, support producers and microentrepreneurs, as well as to promote business activities.
- In 2008-2011, little more than one out of every 10 pesos of the functional expenditure in economic development was destined to social development programs that seek to promote economical wellbeing and income generation in Mexican households with low incomes. Some of the programs that were very favored in budgetary terms in 2008-2011 were

the Risk Management and Prevention Program, PROCAMPO, the Support Program for Equipment and Infrastructure Investment, the Childcare Services, the Productive Organization Program for Indigenous Women, the Care Program for Situations of Labor Contingency and the Coordination Program for the Support to Indigenous Production.

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- While some programs have shown results, in the addition, the impact of social development programs is modest to reverse the structural changes of the labor market. Thus, it is important to highlight that the sustained increase of the acquisitive power of income in the country should come from the improvements in economic growth, labor, wages, productivity, investment, and the stability of prices (specially food prices), among other variables.
- Social development programs are most effective in protecting the population against situational adversities than in the creation of permanent employment. The social development policy counts with some social protection programs, yet are insufficient to strengthen the population's income before situational reduction such as those experienced in the country in 2009. It is necessary to design a program to reduce the situational effects on the economic welfare and the income (for example, creating unemployment insurance and/or strengthening those that already exist, as the *Temporary Employment Program*).

III. Education

The right to education is establish in Article third of the Constitution and regulated in Articles second, third and fourth of the General Education Law (LGE). Up to 2011, it stated that all Mexicans must pursue compulsory basic education, in other words, receive the instruction corresponding to Preschool, Elementary School and Secondary School. Starting school year 2012-2013 Higher Secondary Education is also mandatory.⁹⁶

⁹⁶ The decree in which articles 3 and 31 of the Constitution are reformed, establishes that "the obligation of the State to guarantee Secondary Higher Education, as to offer where to pursue it, for those who have the required age and had concluded basic education, will be carried out in a gradual and crescent manner starting school year 2012-2013 and until achieving a total coverage in its diverse modalities across the country no longer than in school cycle 2021-2022, with the budgetary gathering of the Federation and the federal entities, and within the terms established in the instruments of the National System and the Development Democratic Planning State Systems".



In addition, the LGDS states in Article six that education is one of the rights for social development and the national policy of social development must include as one of its branches or the overcoming of poverty (Article 14).

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The PND 2007-2012 acknowledges that there is still considerable backwardness in the national education system, from which the most important are the lack of opportunities for a wide range of the population to access quality education. Among the PND 2007-2012 objectives, there is the assurance of equal opportunities and the broadening of capabilities so all Mexicans can significantly improve their quality of life and have the guarantee of proper education for their development, as established in the Constitution. In order to reach this general goal, the PND and the Education Sectorial Programs (PSE) 2007-2012 have the following specific objectives:

- Reduce inequality between regions, gender and social groups, in education opportunities.
- Increase education quality.
- Promote the integral education of people in the education system.

This right is present in the measuring of poverty through the educational gap indicator. A person is considered to be in a situation of educational gap if it is between the ages of three and 15 with no compulsory basic education and does not attend to a formal education center; born before 1982 and does not count with the mandatory education current at the time it should have pursued it (complete Primary Education); or was born after 1982 and does not count with the mandatory education level (complete Secondary Education).⁹⁷

This section's exposition is organized into six sections. First a brief diagnosis of the educational situation in Mexico is offered; second, the groups of education programs of the Federal Government according are described according to this classification: a) basic education; b) secondary, higher, and teacher training education; c) research and scholarships, as well as d) promotion education support. Subsequently, there is an analysis of these programs' expenditure in 2008-2011. The fourth section analyzes the funds for Branch 33 that count with an educational output: the *Contributions Fund for Basic Education and the Contributions Fund for Technological and Adult Education*. Afterwards, the results achieved by some of the programs are shown, and ultimately there is a presentation of the conclusions for this section.

⁹⁷ Chapter II in this report shows the educational gap levels in Mexico in 2008-2010.

A) DIAGNOSIS OF THE EDUCATIONAL SITUATION

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This section will describe the problems of education in the following classifications: basic education; higher secondary education, higher education and teacher training education; promotion and education support, as well as research and scholarships.

I. Basic Education

Basic education is constituted by preschool, primary and secondary levels; the second registered the most absolute number of students in school year 2009-2010 (6.1 million students, according to INEE, 2012: 55).⁹⁸

According to the National Institute for Educational Assessment and Evaluation (INEE, 2012: 202), the absolute coverage rate per educational level⁹⁹ in school year 2009-2010 was 79.1 percent in Preschool, over 100 percent¹⁰⁰ in Primary education and 88 percent in Secondary education. The entities with the lowest coverage rate in Preschool were Baja California (61.7), Colima (66.1) and Quintana Roo (66.8); the lowest Secondary rates were in Coahuila (70.8), Yucatan (74.6), Oaxaca (74.7) and Guerrero (74.8) (graph 3.3.1). This shows that there can still be institutional actions to improve the coverage of secondary education and especially in Preschool. Either way, the main challenges in basic education rely in educational quality and inequity.

⁹⁸ It is worth mentioning that, even though it is mandatory starting February 9, 2012, higher secondary education is not comprised within the basic education. In this regards, the Decree in which the first paragraph is reformed can be consulted; subsection c) in fraction II and fraction V of article 3, and fraction I of article 31 of the Political Constitution of the United Mexican States.

⁹⁹ The net coverage rate is an estimate of the coverage of the educational services offered to the population with the regulated age ranges to study each school level. The regulated ages considered for Preschool are 3 to 5 years, 6 to 11 for Primary education, and 12 to 14 for Secondary Education (INEE, 2012; 200).

¹⁰⁰ INEE also presents results of the estimated school attendance rates based on ENIGH 2008. According to this source, the age group between 6 and 11 years registered 98 percent of attendance, seven percentage points below the level registered with the net coverage rate (INEE, 2012: 201).





Graph 3.3.1 Coverage net rate in Preschool and Secondary education by federal entity, Mexico, school year 2009-2010

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Source: elaborated based on INEE, 2012:202.

The quality education level better predicts the economic success of a country than the number of years of education (OCDE, 2010). A way to assess quality is through the results of the PISA evaluations.¹⁰¹ In the 2009 test, Mexico obtained the 50th place out of 65 countries and was the OCDE member with the lowest average grade in all of the categories; however, among the evaluated Latin American countries, it presented the best average results,¹⁰² excluding Chile (PISA, 2009).

Educational performance in Mexico is very uneven and varies according to the federal entity, the type of location and the school's structure. From 2006 to 2011, the percentage of Primary students with insufficient performance in the ENLACE test had a descending tendency, yet there is a wide variety of results depending on the type of school. The difference in the percentage of students with

¹⁰¹ The exam evaluates the student's level in reading comprehension, mathematical reasoning and knowledge in sciences. It should be pointed out that the PISA exam is designed to be applied every three years, focusing each year in a different area of knowledge (reading, sciences or mathematics). One of the consequences of this procedure is that, in a strict sense, the results reached by a country are only comparable in the years in which they received that same focus, that is, "only the comparisons based in the competency scales that constitute the main area of evaluation on a specific school cycle are reliable" (INEE, 2010: 145). In this sense, the only possible comparison, up to 2012, is the reading area (which already completed two application cycles, 2000 and 2009). Regarding mathematics, the results of the test conducted in 2012 are needed in order to be able to make the comparisons.

¹⁰² The Latin American countries evaluated in 2009 by PISA are Argentina, Brazil, Chile, Colombia, Mexico, Panama, Peru and Uruguay. See

http://www.oecd.org/document/29/0,3746,en_32252351_32235731_46513821_1_1_1_0.html

insufficient performance between CONAFE and indigenous schools and private schools is larger than 30 percentage points in 2011, in both mathematics and Spanish. However, when these schools are compared between 2006 and 2011, it can be seen that the gaps have diminished.

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There are also disparities in the percentage of students with insufficient performance in Secondary education, according to the school type. Nearly half of the tele-secondary students have insufficient performance in mathematics in 2011, while the number of students with insufficient performance in private schools ascended to 34.2 percent (an increase of six points in respect to 2006). Nonetheless, tele-secondary schools have diminished the distance in respect to other schools, as can be observed in chart 3.3.1.

Type of School	Mathematics		Spanish			
	2006	2011	2006	2011		
Sixth Grade						
CONAFE	43.47	41.2	42.70	37.8		
General	20.88	13.7	20.43	13.5		
Indigenous	47.97	38.8	50.68	33.0		
Private	5.74	6.0	5.12	4.5		
Global	20.98	13.9	20.66	13.7		
Third Grade, Secondary School						
General	62.20	58.1	37.81	39.3		
Private	28.44	34.2	14.38	18.2		
Technical	64.82	58.2	42.26	38.4		
Tele-secondary	67.21	47.9	56.68	41.5		
Global	61.13	54.0	40.70	37.7		

Chart 3.3.1 Students that obtained the "insufficient"	level	of
performance on the ENLACE test (percentage)		

Source: elaborated by CONEVAL based on data from the SEP (Ministry of Public Education).

Inequity in educational performance can also be observed at a regional level. In 2011, the percentage of Primary students with insufficient performance in mathematics was of 41.3 percent in Oaxaca, 22.6 in Chiapas, 21.7 in San Luis Potosi and 21 in Guerrero. In contrast, the percentage of students with insufficient performance level in Nuevo Leon was 11.4 percent, in Sonora 11.5 percent, Sinaloa 13.7, Tlaxcala 13.7 and the Federal District 13.9 percent.



When considering serious overage ¹⁰³ by school year as an approach to the educational gap, the disaggregated results by entity show that during school year 2009-2010 the percentage of Primary students with overage reaches 11.9 percent in Guerrero, 10.6 percent in Chiapas and 10.3 percent in Oaxaca. On the other hand, in Nuevo Leon is of 1.3 percent, in Tlaxcala 1.5 percent, and in Sonora 1.8 percent (INEE, 2012: 222) (graph 3.3.2). Indigenous and community primary schools have a higher percentage of over-aged students regardless of whether they are at a rural or urban location, or if they are at a low or high marginalization area.

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Graph 3.3.2 Percentage of students with serious overage by federal entity, Mexico, school year 2009-2010

Source: elaborated based on INEE, 2012:202.

¹⁰³ This parameter refers to the number of students registered at a school year whose age exceeds the one established to pursue the referenced grade by two or more years (INEE, 2009: 163).

In fact, there is inequity in the quality of basic education depending on the federal entity, type of location (urban or rural), marginalization level, and the type of school (which is correlated to the income level).

II. Secondary, higher and teacher training education

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Two of the main challenges in higher secondary and higher education are the insufficient coverage and the inequality in the access. In 2010 the coverage level of education was estimated in 66 percent (school attendance of young students between 12 and 14 years old) and 28 percent in higher education (school attendance of young students between the ages of 15 and 17).¹⁰⁴ The graduation rate was set in 58 percent for the first system and 63 percent in the second.

Insufficient coverage may be understood by the incidence of factors associated to supply and demand. The offer of educational units and programs is mainly the responsibility of the government. The demand depends of the decision that young people and their families take regarding the continuation of their studies, which also obeys the socioeconomic conditions of their households, their aspirations and personal needs, schooling and accumulated skills, and the expectations of returning to school (which depends on the quality of programs, campuses, and teachers, among others).

The lack of coverage also has consequences in the inequity to access and remain in school. This can be observed through the positive relation between education and income levels, as well as the existent disparity between regions of the country.

Geographical inequity in secondary and higher education can be exemplified with two examples. First, the net coverage rate in baccalaureate in school year 2009-2010 in the Federal District was 77.8 percent, while in Michoacan was 40.8 percent. (INEE, 2012: 202). Second, the absorption rates¹⁰⁵ in university degrees are higher than 80 percent in the states with the best standard of living in the country, and between 40 and 50 percent in the poorest (SEP, 2011). Considering that education is primarily financed by public resources, not only the lack of inequity to access can be concluded, but subsidies that may be considered retrogressive. This is the result of regional economic inequities that manifest in supply factors -availability of units and access- and demand, in which

¹⁰⁴ See chart 2.2 in chapter II. It is worth to mention that this estimate changes depending on the source. The National Institute for Educational Assessment and Evaluation (2012), based on the "Continuous statistics of format 911 (beginning of school year 2009-2010)", estimated that the coverage net rate in higher education for population at a normal age (15 to 17 years old) in 2009-2010 was 48.8 percent.

¹⁰⁵ The absorption rate is the quotient of the number of new students in the first grade of higher education during a specific school year per each hundred of graduates from the precedent educational level of the prior school year. It provides and estimate number of the transit among levels. The usefulness lies in specifying the system's capacity to serve the population who finished the precedent educational level and enrolls higher education (INEE, 2012: 253).



socioeconomic inequity and the heterogeneous school and social backgrounds play an important role (Tuiran, 2011).

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Another challenge in secondary high and higher education is the quality in teaching. It is not easy to measure quality through the education achievement in these educational levels. Different form basic education, in secondary and higher education there is no indicator to measure quality.¹⁰⁶ Within this context, the Federal Government has chosen to measure the challenges, goals and updates in education quality basically through indirect indicators such as registers or accreditations.

III. Federal Programs for Promotion and Education Support

While coverage in Primary school was near 100 percent in school year 2009-2010¹⁰⁷ and the percentage of illiterate people 15 years old and over, decreased from 26 to 7 percent between 1970 and 2010, there is still an education gap. In 2010, for example, 5,393,000 individuals of 15 of age and over were illiterate (6.8 percent), 5,409,000 of the population 15 of age and over did not have any schooling (6.9 percent) and 3,942,000 people of the age of 15 and over had incomplete secondary studies (5 percent) (INEGI, 2011a).

According to the 2010 poverty measure, the country's population with an educational gap ascended to 20.6 percent in 2010, that is, 23.2 million people; this register is 1.3 percent lower than in 2008. In a greater extent, the decrease in the indicator was due to the reduction of the educational gap of those born after 1982.

Disability, vulnerability, inequality and poverty, among other factors, bring negative consequences to people's possibilities to take advantage of educational opportunities in the same condition as the rest of the population

¹⁰⁶ The tests for the National Center for the Evaluation of Higher Education are not applied in a general manner. On the other hand, the National Institute for Educational Assessment and Evaluation, is developing indicators for education results as the performance in the labor market, but does not report them each year.

¹⁰⁷ Only in Aguascalientes (97.9) and Quintana Roo (94) the net coverage rate is not 100 percent. All the data presented in this section, unless otherwise specified, is provided by INEE, National Education Outlook 2009. System indicators, Mexico, INEE, 2009 and National Education Outlook 2010. National Education System Indicators Basic and Secondary Education. Mexico, INEE, 2012.

The 2010 General Census of Population and Housing registered 4,487,465 people 3 years of age or over with a disability or limitation, and 4,068,426 people of the age of 15 years or over with a disability or limitation. The population with 3 years of age or over with disabilities and without any schooling amount to 26 percent, which is above the national average (INEGI, 2011a).¹⁰⁸

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Another group in disadvantage in a matter of education is the migrants group. According to CONAPO, in 2010, approximately 40 percent of the international migration corresponded to population between the ages of 15 and 24 years. This means that a high percentage of those who migrate abandoned their studies. There are approximately 434,961 families of migrant agricultural workers (internal migration), this is 2,071,483 individuals; from which 37 percent is 15 years old or less and should be pursuing basic education, while 14 percent is between 16 and 20 years old and could be pursuing secondary or higher education. Even so, their migrant condition and need to work jeopardize the continuity in their education (SEDESOL, 2009).

IV. Research Support

The environment that the support policies for research and study grants deal with is characterized by the following aspects:

- a. A vast majority of the academic staff in the Higher Education System (HES) did not have, upon entering, a higher academic degree which, albeit, their own students were pursuing; several of them were working as interns or had a bachelors degree, particularly in the first 35 years of development of the HES.
- b. Basic or applied research underdevelopment. Furthermore, despite the fact that in many cases the quality is acceptable, it doesn't work as a platform to contribute to the country's growth.

B) PROGRAMS AND EDUCATIONAL ACTIONS

The Federal Government had 82 Programs and Actions related to education in 2011 (corresponding to the 41.3 percent of the resources approved in 2010 for the education budgetary role of the social development expenses; that is to say, 211,806 million pesos).¹⁰⁹ These programs represent 30 percent of the whole scope of 272 social development programs brought together in 2011 in the *CONEVAL* Inventory.

¹⁰⁸ Data obtained from the basic questionnaire.

¹⁰⁹ The number of programs considered in each strand (economic welfare, education, housing and food) changes every year due to compaction or disappearance of some Programs and Actions. Thus, for example, the *Fund for the Modernization of Higher Education* (FOMES) and the *Fund of Investment for Public State Institutions with Evaluation from ANUIES* (FIUPEA) were encompassed in the *Comprehensive Program of Institutional Reinforcement.* It is worth mentioning that the programs with annual evaluations determined by CONEVAL are only a subset of the programs classified in the *CONEVAL* Inventory.



Of these 82 programs, 32 had *Consistency and Results Evaluations 2011-2012* and spent 80,037 million pesos in 2011. The latter are programs analyzed in the expenses and results subsection. In Annex II, a list with all the educational programs can be consulted.

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Graph 3.3.3 Number of Education Programs and Actions by office, Mexico, Federal Government, 2011

Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2011.

Graph 3.3.3 displays the total number of education programs by office, as well as the subset integrated by the programs evaluated with CRE in 2011-2012.

C) EDUCATION PROGRAM EXPENSES

In this paragraph the budget characteristics of the education programs in 2008-2011, are described. The objective is to put into context the expenses and identify, for each level and education sector, which were the instruments that benefited from the budget terms.

The education Programs and Actions of the Federal Government belong to the education budget function, within the functional group of social development.

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The approved budget for education amounted to 512,112 million pesos in 2011, that is, 0.46 percent less than the amount used in 2008 and 4 percent less than in 2010 (amounts expressed in constant pesos from January 2011, in the graph 3.3.4). The expenditure of the 82 education Programs and Actions of the Federal Government corresponds to 41.3 percent of the resources approved for the education sector; that is to say, 211,807 million pesos. This proportion is 9.4 percentage points higher than in 2008, when the expenses of the education programs represented 32 percent, and four points higher than in 2010, when it was 37 percent. This means that four of every 10 pesos from the education expenses were destined in 2011 to education programs, one peso more than what was spent in 2008.





Source: Federal Public Treasury Account 2008, Federal Expenditure Budget Decree 2010 and 2011 and CONEVAL Inventory of Federal Programs and Actions for Social Development 2010.



The programs with *Consistency and Results* Evaluation spent 80,037 million pesos corresponding to the 82 education programs in 2011 (graphs 3.3.5 and 3.3.6); that is to say, they spent 37.8 percent of the education program expenses and 15.6 percent of the expenses in 2011 for the functional group education sector of social development.

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If the evolution of the education programs budget with annual evaluation determined by CONEVAL between 2008 and 2011 (graph 3.3.5) is examined, we can see that the program expenses reached its higher amount in 2009 (109,093 million pesos in January, 2011 for 33 evaluated programs) and decreased since then, despite the fact that the expenses in 2011 are higher than in 2008 and that the number of evaluated programs has changed.

Graph 3.3.5 Total spending of education Programs and Actions evaluated annually by CONEVAL in 2008-2011. Federal Government, Mexico. Million pesos in January, 2011



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2008, 2009 and 2010; Federal Public Treasury 2011 Account.

Graph 3.3.6 Total spending of education Programs and Actions evaluated annually by CONEVAL in 2008-2011. Federal Government, Mexico. Percentage variation



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2008, 2009 and 2010; Federal Public Treasury 2011 Account.

Chart 3.3.4 presents the spending during 2008 and 2011 for education programs. It is further observed that the series of programs with the highest expense is classified under the section "Others"; this includes Programs and Actions contained in the *CONEVAL* Inventory among which only a small amount have been evaluated. The number of programs gathered in "Others" increased from 45 to 52 between 2008 and 2011; among these, the basic education programs.

Chart 3.3.4 Expenditure of the education Programs and Actions, Federal Government, Mexico, 2008-2011¹¹⁰

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Thematic education program groups	Spending in Millio January, 2011	Percentage variation 2008-	
- · ·	2008	2011	2011
Basic Education	5,708.79	6,228.23	9.10
Higher Secondary Education	1,032.77	1,065.64	3.18
Higher and Teacher Training Education	42,784.02	55,046.23	28.66
Research and Grants	9,783.42	15,305.59	56.44
Promotion and Education Support	809.56	22,755.17	2,710.81
Others	104,167.37	111,405.97	6.95
Total	164,285.93	211,806.83	28.93

Source: CONEVAL Inventory and Federal Public Treasury Account

Note: The education Programs and Actions were reunited in thematic groups with the Comprehensive Performance Evaluation of the Federal Programs. The reference point for their grouping both in 2008 and 2011 are the Comprehensive Evaluations 2010-2011 The education programs expenditure grouped in the category "Others" encompass: i) some Actions and Programs that were not evaluated by CONEVAL because they do not have a "S" budget modality (with operation rules), "U" (other subsidy programs), "E" (provision of public services) or "B" (provision of public assets), as well as ii) programs that were evaluated, but that are not grouped in one of the themes considered for the analysis.

¹¹⁰ The thematic education program groups are:

i. Programs for the improvement of basic education: Compensatory actions to reduce the educational gap in basic and initial education (CONAFE), Quality Schools Program, National System Program for Continuous training and Professional Development of Basic Education Teachers in Service, Full Time Schools Program, Program to Strengthen Tele-secondary Education and Safe School Program.

ii. Higher Education Programs: Expansion of the Education Offering in higher Education and Rural Education Program.

iii. Programs for the Improvement of Normal and Higher Education: Federal Subsidies for Decentralized State Organisms, Fund for the Modernization of Higher Education Program (FOMES), Support Fund for the Financial Reorganization of the Public State Universities (UPES) below the National Average in Subsidy by Student, Fund of Investment for Public State Institutions Program with Evaluation from ANUIES (FIUPEA), Institutional Improvement Program for Public Teacher Training Schools, Strengthening of the Quality in Teaching Training Schools and Comprehensive Program of Institutional Improvement (this program encompasses the FOMES and the FIUPEA since 2011).

iv. Support Programs for Research and Grants: Postgraduate grants and other modalities of quality support, Grant Program, National Researchers System, Financing and Grants National Program (PRONABES), Strengthening in the federal entities of the scientific, technological and innovation capacities, sector Innovation Fund (in 2009 it corresponded to the New Fund for Science and Technology), Support Grants Program for Intensive Practices and Social Service for Students in Seventh and Eighth Semester in Public Teaching Schools, and Support Grants Program for Basic Education to Young Mothers and Pregnant Young Women.

v. Program for the Promotion and Support of Education: subsidies for Education Centers, Attention to the Adult Education Demand (INEA), Digital Abilities for Everybody, Program to Strengthen Special Education and Education Integration, Educational Attention to Groups in Vulnerable Situations, National Reading and Education Program for People with Special Needs.

vi. Others: Shelter Programs for Indigenous Schoolchildren (PAEI), Initial and Basic Education Program for Rural and Indigenous Population, Basic Education Program for Migrants Boys and Girls of Migrant Agricultural Workers (PRONIM), Initial and Basic Education Program for Rural and Indigenous Population, Sports, School always open to the community, Support for Deregulated, Pedagogical Technical Advisor Program (PATP), Program of Support to Community and Municipal Cultures (PACMYC), Communities Support Fund for the Restoration of Federally Owned Monuments and Artistic Assets (FOREMOBA), Support Program to the cultural Infrastructure of the States (PAICE), Federal Subsidy for Academic Excellency Centers.

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The second group of Programs and Actions with the higher spending in 2011 is higher and teacher training education¹¹¹ that spent 55,046 million pesos, 29 percent more than 2008. In 2008, 2009 and 2010 this series of programs was integrated by six interventions, but in 2011 it decreased to five due to the compaction of the *Fund for the Modernization of Higher Education and* the *Fund of Investment for Public State Institutions with Evaluation from ANUIES in the Comprehensive Program of Institutional Reinforcement*.

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The group of programs with the most pronounced relative growth was the one of education promotion and support.¹¹² This is due —on one hand— to the fact that the group increased from three to seven programs, but mainly because of the operation since 2009 of the intervention *subsidies for Education Centers* that in 2011 had a budget nine times higher than the previous program that was the one with the highest budget (*Attention to the Adult Education Demand*).

It is important to examine with detail some programs characterized by their high spending during 2011 or by the important growth in their expenses. Among the former we can highlight the interventions conducted by *Federal Subsidies for Decentralized State Organisms* of the higher and teacher training education group of programs that spent 52,330 million pesos in 2011 and by *subsidies for Education Centers* of the group of Program for the Promotion and Support of Education that spent 15,782 million pesos. The significant expenditure by the former is due to the fact that it has operation expenses and has to pay the institutes and universities pertaining to the decentralized state organisms of public education. The amount of *subsidies for Education Centers* is due to the fact that it pays the quality education in the federal entities, through the granting of subsidies that in 2010 were canalized for the works construction.

Among the programs characterized by the variation in their budget between 2008 and 2011 are *Full Time Schools* (increase of 228 million to 1,487 that amounts to a growth of 552 percent) and *Digital Abilities for Everybody* (of 933 million in 2009 to 4,890 million in 2011, that is, a growth of 424 percent).

D) BRANCH 33: CONTRIBUTION FUND FOR BASIC EDUCATION AND CONTRIBUTION FUND FOR TECHNOLOGICAL AND ADULT EDUCATION

¹¹¹ The higher and teacher training education programs enable the operation of a wide range of institutions through the allocation of ordinary resources; without these the majority of the population between 18 to 25 years in the federal entities cannot be heeded. Extraordinary Resources Programs are also included.

¹¹² These programs offer complementary services to support the education systems; the activities of four of these are basic education (National Institute for Adult Education, Program to Strengthen Special Education and Education Integration, National Reading and Digital Abilities for All Program); two are destined for students that course the higher and upper secondary education (Educational Attention for Groups in Vulnerable Situations, Education for People with Special Needs) and one postgraduate and research level (CINVESTAV). The challenge they face is to heed the difficulties that, for different reasons —disability, vulnerable situation, social inequality or poverty, among others— certain social groups face to access education in adequate conditions; the programs thus seek to guarantee equal opportunities and close the educational gap.

I. Contribution Fund for Basic Education

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The Tax Coordination Law (LCF) stipulates that the resources that are received by the federal entities through the Contributions *Fund for Basic Education* (FAEB) should be exercised exclusively to finance the initial basic education, including indigenous, special and teacher training education.¹¹³

The LCF stipulates that, according to the pre-established criteria, the federal entities that are in a disadvantage receive more resources. This process can generate few if any incentives so the entities use efficiently the resources they have been assigned. However, the wide difference in the size of the *FAEB* from one year to the other is divided according to the proportion that the public enrollment for basic education of each state represents nationwide. On the other hand, the historical allocations for each state are the most influential upon deciding the total transference. Therefore, the *FAEB* is divided between the states in an inertial manner, for which they consider, in second place, equality criteria and, marginally, efficiency, measured by the quality of the education.¹¹⁴

For this reason, it is worth analyzing the distribution patterns thoroughly. There is a close relationship between the distribution of the funds assigned to each state in 2007 and the public enrollment for basic state education for the school year 2005-2006.

In the LCF it is stated that the state enrollments allow assigning the resources equitably between the entities (with financial criteria); however, other inequality factors between the states are ignored. For example, after analyzing the proportion of resources assigned in 2007 to each state as percentage of the total amount of the *FAEB* and the percentage of illiterate population in each entity we find that, opposite to the relation mentioned, a time lag between the resources that the majority of the federal entities receive with the education deficiencies (CONEVAL, 2011h). In this sense, in the resources distribution of the *FAEB*, the relative importance in the enrollment of the entities over the illiteracy is prevalent.

In short, the described analysis reveals that the distribution formula of the resources of the *FAEB* in the federal entities only slightly promotes the balanced development of the education system in relation to the additional variables in the enrollment and does not contribute enough to the achievement of the objectives of the PSE 2007-2012. In this regard, it is necessary to reflect on the distribution

¹¹³ Article 26 of the LCF stipulates that "with charge to the corresponding contributions of the FAEB, the states and Mexico City will receive the complementary economic resources that support them to spend the attributions that they are exclusively assigned to, respectively, in Articles 13 and 16 of the General Education Law".

¹¹⁴ Although the inertial distribution is important because it allows having an established basis for planning, it hinders the development of incentives for the efficiency and effectiveness.



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criteria for this fund, so the fund resources results can contribute to broaden the education opportunities and reduce inequality between the federal entities, as well as help reduce the educational gap and boost the quality of the education.

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In examining the expenditure per person by the *FAEB* in 2011 we observe that it is 4.2 percent higher than in 2008 nationwide.

Graph 3.3.7 Amount per person of the *Contribution Fund for Basic Education* (FAEB) by State, 2008-2011. Constant pesos during January, 2011



Source: Federal Public Treasury Account 2008, 2011 and multidimensional poverty measurement, CONEVAL 2011.

The expenditure per person increases in almost every federal entity.¹¹⁵ Quintana Roo and Baja California Sur are the states that register reductions (decrease of 5.7 and 5.3 percent, respectively), while in the State of Mexico and Guanajuato we observe higher increases (22.9 and 20.1 percent, respectively).

The entities with higher per capita amounts during the period were Campeche, Guerrero, Zacatecas and Baja California Sur.

II. Contribution Fund for Technological and Adult Education

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The *Contribution Fund for Technological and Adult Education* (FAETA) operates through two outputs: *FAETA-INEA* and *FAETA-CONALEP*; the former contributes to adult training through education that helps them develop their work and life. Through the fund's budget, the services operation is strengthen and the education spaces are broaden in the education adult sector, in accordance to the regional needs; the latter aims to strengthen education in technical professional levels in the federal entities.¹¹⁶

The amount that corresponds to each federal entity is determined every year from elements such as a) the records of the education facilities and personnel used for the calculations of the budget resources to the federal entities for the subscription of the corresponding agreements, including the corresponding payments for federal taxation and social security contributions; b) the budget resources of the fund transferred to the entities during the previous year to that being budgeted; c) furthermore, for the adult education services, specific priorities and compensatory strategies for the educational lag regarding literacy, basic education and work training.

If we compare the resources distribution of the *FAETA* in the federal entities with student enrollment in technological education (represented as the percentage of the national technological education enrollment), we find that there is a strong association between the values of both variables.

¹¹⁵ Mexico City does not participate in the resources of this fund.

¹¹⁶ It is important to mention that, although the LCF establishes that the economic resources received from the FAETA for the states and Mexico City should be used to finance the technological and adult education services, this money is complementary to that destined for this activity through Branch 11 (public education).



Thus, it can be argued that the distribution of *FAETA* responds to the demand for technological education in the entities (CONEVAL, 2011).

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Regarding the adult education services, upon contrasting the resources spent per person by the *FAETA* in 2007 with the percentage of the adult illiterate population during this year, we find that the allocation of the fund in terms of the educational gap requirements in adult population does not follow a systematic pattern. In this case, the distribution of the *FAETA* (in per capita terms) is not associated to the illiterate adult population in the entities.

In short, the *FAETA* responds in greater measure to the needs for technological education that to the attention of the educational gap in illiterate adult population. On the other hand, if we analyze the allocation of resources per capita of the fund for all the federal entities in 2008 and 2010, we observe that the expenditure is slightly higher in 2011 in relation to 2008 (3.0 percent).



Amount per person FAETA by State.

Graph 3.3.8 Amount per person of the Contribution Fund for Technical and Adult Education by State, 2008-2011. Constant pesos during January, 2011

Source: Federal Public Treasury Account 2008, 2011 and multidimensional poverty measurement, CONEVAL 2011.

Amount per person FAETA by State

Graph 3.3.8 shows that the real expenditure per capita increases in 26 of the 31 states,¹¹⁷ except Baja California Sur (-2.6 percent), Campeche (-2.3 percent), Coahuila (-1.3 percent), Baja California (-0.6 percent) and Chiapas (-0.1 percent).

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The entities with higher per capita sums during the period were Campeche, Colima and Sonora.

E) EDUCATION PROGRAMS AND ACTIONS RESULTS

In this paragraph the results of some programs designed to ensure the access of the different dimensions of the right to education, as well as to improve its quality are summarized.

I. Basic Education

- The Program Compensatory Actions to Mitigate the Educational Gap in Initial and Basic Education of the National Council for Educational Development (CONAFE) decreases the repetition rate. The program is less effective in urban schools.
- The participation in the Quality Schools Program resulted in a decrease in the desertion rate of approximately 0.11 percent. However, an impact over the fail student rates or in the percentage of extra age in schools was not found. The program didn't appear to have an effect on bilingual and inter-cultural schools.
- The Program to Strengthen Tele-secondary Education and Full Time Schools gives positive results in standardized assessments such as ENLACE (National Evaluation of Academic Achievement in Scholar Centers). From 2006 to 2010, students enrolled in Tele-secondary advanced in this evaluation 19.7 points in Spanish and 40.7 points in mathematics. However, we cannot attribute these results exclusively to the program.
- The programs intended for indigenous communities such as the Initial and Basic Education Program for Rural and Indigenous Population of CONAFE have improved the educational achievements in the percentage of schools in the ENLACE evaluation.

¹¹⁷ Mexico City does not participate in the resources of this fund.



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II. Higher Secondary and Teacher Training Education

The Fund for the Modernization of Higher Education and the Fund of Investment for Public State Institutions with Evaluation from the National Association of Universities and Higher Education Institutions were encompassed in the Comprehensive Program of Institutional Reinforcement in 2010. Among the results reached in the prior tax years we can mention: The Fund for the Modernization of Higher Education achieved that the percentage of full-time professors with postgraduate studies increased from 62 in 2002 to 85 percent in 2010. The quality of the education programs evaluated went from 458 programs in 2003 to 1,562 in 2010.

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 In relation to the Fund of Investment for Public State Institutions Program with Evaluation from the National Association of Universities and Higher Education Institutions, the percentage of Academic Bodies increased from 7 percent in 2002 to 31 in 2010.

III. Federal Programs for Promotion and Education Support

- The intervention Attention to the Adult Education Demand increases the education opportunities for young people and adults and the educational gap. It also develops self taught learning strategies that motivate them to continue their studies in higher and higher secondary level.
- The Education for People with Special Needs Program contributed in a way that the higher education students benefited kept studying until the end of the school year.

IV. Support for Research and Grants

• Between 2000 and 2008 the National Researchers System (SNI) increased their membership in all knowledge areas.

F) CONCLUSIONS

• During 1190-2010 an important reduction took place in the educational gap, particularly in relation to school absenteeism among children between six and 15 years.

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- The educational gap took place less often at a lower rate between 2008 and 2010, due to the fact that not only the universal basic education coverage is being achieved among children, but also the elevated educational gap in adult population continues.
- Other problems identified in the education sector are inequality in the quality of basic education; on the other hand, we observe in higher and secondary education insufficient coverage, inequality in the access and quality of teaching, the disadvantages to access the education for vulnerable groups, as well as the underdevelopment in basic and applied research.
- Four of every 10 pesos of the education expenditure of the Federal Government were destined in 2011 to education programs; this amount represented 9.1 percentage points higher than in 2008 and one peso more than this past year.
- The education actions that the Federal Government favored in budgetary terms during 2008-2011 were Federal Subsidies for Decentralized State Organisms and subsidies for Education Centers (with the highest expenditures), as well as Full Time Schools, Digital Abilities for Everybody and Education Attention to Groups in Vulnerable Situations.
- The basic education programs that the Federal Government favored in budgetary terms during 2008-2011 were Compensatory Actions to Mitigate the Educational Gap in Initial and Basic Education (with the highest expenditure) and Full Time Schools Program (with more pronounced growth).
- There is a high rate of programs that have not been subject to evaluations, for this reason results have not been identified. From the programs evaluated the results of the *Full Time Schools* stand out.
- Concerning Branch 33, the analysis of the Contribution Fund for Basic Education and the Contribution Fund for Technological and Adult Education revealed that the distribution formula of resources in the federal entities does not promote enough the balanced development of the education system in relation to additional variables to the enrollment (as those used in the multidimensional poverty measurement).



IV. Nutrition

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The right to food can be understood as the right of every individual to enjoy physical and economic access to adequate food and the means to obtain it (OACDH, 2004). In our country, the Political Constitution of the United Mexican States establishes that every person has the right to nutritious, sufficient and quality food, as well as to be guaranteed by the State (Article 4). The LGDS (General Law of Social Development) establishes access to food for the social development of Mexicans (Article 6), furthermore, it indicates that it is one of the strands that help overcome poverty of the national policies of social development and that the Programs and Actions to ensure the food will be a priority and of public interest (Articles 14 and 19).

The LGDS stipulates that the access to food will be one of the eight indicators that the CONEVAL should consider to conduct the multidimensional poverty measurement. (Article 36)

The right to not suffer from hunger and enjoy access to healthy and nutritious food is constitutive components to this right. The concept that best includes these notions and that, for this, is considered more appropriate to measure the access to food is food safety; this is understood as the access at all moments of sufficient food to carry out an active and healthy life, which is associated to stability, sufficiency and variety of food concepts (CONEVAL, 2010b: 60-62; DOF, 2010: 12).

To measure the scope of this right a safety food scale is used (CONEVAL, 2010b: 60-62).

The presentation within this paragraph is organized in the following manner: in the first section a brief panorama of problems associated to the safety dimensions in Mexico are discussed;¹¹⁸ in the second the general features of the five main food programs pertaining to the Federal Government are described; in the third the spending during 2008-2011 by these programs is analyzed; later on, the component of *Social Welfare of the Fund of Multiple Contributions* (FAM) of Branch 33 is examined in order to acknowledge the characteristics related to the access to food; and finally, the programs results and conclusions are presented.

A) DIAGNOSIS OF THE ACCESS TO FOOD SITUATION

¹¹⁸ The diagnosis is conducted based on the findings of the *Strategic Evaluation of Food Safety Dimensions*, as well as the Comprehensive Performance Evaluation of the Food Support and Capacity Generation of CONEVAL.

According to the multidimensional poverty measurement of 2010, the incidence in the population with access to food deprivation was 24.9 percent in 2010; this is the only deprivation that increased in 2010 in 2008.

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In Mexican homes the problem of food safety is multi-factorial, since availability, access and consumption difficulties converge. Having appropriate access to food is not enough to have good nutrition, since besides the food there must be adequate quality and diversity, as well as to be consumed in a hygienic environment and by a healthy body.

According to the FAO, in Mexico, between 2003 and 2005, there was a food availability that corresponded to the minimum requirements for the Mexican population, that were 1,850 kilojoules per person by day and the food offer of 3,270 kilojoules per person by day.¹¹⁹ The point of sale of food for all the rural localities analyzed was found to be sold locally (CONEVAL, 2010b).

In terms of access and capacity to acquire food, in 2010 it was identified that the population with lower income destines a greater percentage of their total expenses to food, since while in homes with low income reserve an average of 49 percent to the purchase of food, homes with higher income reserve only 22 percent (ENIGH, 2010). This means that upon an increase in food prices there is greater dependency and vulnerability in Mexican homes with lower income (concerning this refer to CONEVAL, 2010b).

¹¹⁹ The most recent data of the FAO is updated for the 2005-2007 period; it has a similar level to that described in the Strategic Evaluation of Nutrition and Supply and which follows the historical tendency to improve compared to the 1990-1992 base period (FAO, 2008).



According to the *National Health and Nutrition Survey* (ENSANUT) 2006,¹²⁰ Mexico is in a situation in where a population group with malnutrition, overweight and obesity exist simultaneously.¹²¹

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In Mexico there is a greater prevalence of anemia in population with the following characteristics:

- a. Preschool children. The prevalence is of 23.7 percent. There are more damages in the mental development when anemia appears in children younger than two years.
- b. *Women of childbearing age*. The prevalence for women between 12 and 49 years of age is 15.6 percent.
- c. Senior Citizens. The prevalence is of 23.7 percent.
- d. Rural Localities population. All the age groups have a higher percentage than those in urban locations, except in senior citizens. Among the rural locations, the most vulnerable population is preschool children (CONEVAL, 2010b).

In past years, Mexico has presented a generalized increase in overweight and obesity in children, adolescents and adults. In 2006, one of each four children presented overweight or obesity problems, while that for adolescent population this problem was presented in one of every three. Equally, over 65 percent of adults presented overweight or obesity. (CONEVAL, 2010b).

The municipalities with higher vulnerability of nutrition risk coincide with the municipalities that present a higher percentage of indigenous population (CONEVAL, 2010b: 66). According to ENSANUT 2006, the prevalence of chronic malnutrition in indigenous people younger than five years is higher than in non indigenous people (33.2 against 10.6 percent, according to CONEVAL, 2010b). Furthermore, as shown in chart 2.2, the low height prevalence percentage in children younger than five years was three times higher in indigenous population than in the general population.¹²²

¹²⁰ The National Health and Nutrition Survey (ENSANUT) was conducted in 2006 under the coordination of INSP. Its representativeness is national, by federal entities, geographic regions and area of residence (rural-urban).

¹²¹ Obesity and overweight are an abnormal accumulation or excessive of fat that can be detrimental to health. The main cause is an unbalance in the caloric intake and energy consumption. The indicator used by the World Health Organization to measure overweight and obesity is the body mass index (BMI), which is the relation between body weight measured in kilograms and the square height measured in meters (kg/m2) (CONEVAL, 2010b).

¹²² The chart 2.2 is in chapter II of this report.

B) FOOD PROGRAMS

The Federal Government had five programs related directly to food in 2011 (52 percent of the resources approved in 2011 for social welfare for social development expenditure; that is to say, 42,644 million pesos). These programs represent two percent of the universe of 273 programs of social development in the *CONEVAL* Inventory. Four programs were subject to the *Consistency and Results Evaluations* (*CRE*) 2011-2012 (40,906 million pesos in 2011).¹²³ However, two other programs were identified that were not taken into consideration among the five, their actions were destined to help access to food (indigenous shelters and school breakfasts that are instrumented by the National Commission for the Development of Indigenous People and by the state systems for child comprehensive development, respectively). The first four programs are described and analyzed in the following sections addressing expenditure and results. In Annex II, a list with all the food programs can be consulted.

Graph 3.4.1 Number of Food Programs and Actions by office, Mexico, Federal Government, 2011

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Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2011.

¹²³ Consult the definition of programs evaluated in the glossary of terms.



C) FOOD PROGRAMS EXPENDITURE

In this section the situation of the food programs of the Federal Government expenditures in 2008-2011 are presented. The relative importance of the food group program expenditure was examined in relation to the budget function of social welfare and expenditure during 2008 and 2011 of the food programs that have an annual evaluation determined by CONEVAL.

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The food programs of the Federal Government belong to the social welfare function of the social development branch. In graph 3.4.2 we can observe that in 2011, the five food programs¹²⁴ constituted 51.7 percent of the total expenditure of the Federal Government destined for social welfare; that is to say, 42,644 million pesos (constant to January 2011). This amount represents 10.5 percentage points more than in 2008 and two more than in 2010. This means that the expenditure for food programs represented one of two pesos in the budgetary role for social welfare in 2011, an amount 68 percent higher than in 2008.

Graph 3.4.2 Expenditure of the food Programs and Actions in relation to the budgetary role for social welfare of the development expenses, Federal Government, Mexico, 2008-2011. Million pesos in January, 2011



Source: Federal Public Treasury Account 2008, Federal Expenditure Budget Decree 2010 and 2011 and CONEVAL Inventory of Federal Programs and Actions for Social Development 2010.

¹²⁴ Oportunidades, PAL, PASL, PAR and Program for the acquisition of national milk on behalf of LICONSA. The expenditure of the program Oportunidades only considers the contributions made for the program by SEDESOL and excludes those made by SEP and SALUD because the substantial part of the expenditure for food pertaining to the program is conducted with charge to this Ministry.

In graphs 3.4.3 and 3.4.4 it is shown that the resources spent by *Oportunidades, the Food Support Program* (PAL), the *Social Milk Supply Program* (PASL) and the *Rural Supply Program* (PAR), all of these food programs with annual evaluation determined by CONEVAL, increased in 11,990 million pesos between 2008 and 2011, which represents an increase of 41 percent. The year in which the increase was more pronounced was 2010, when the budget of these programs grew 31 percent in relation to the previous year.

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In conclusion, the food programs expenditure with annual evaluation determined by CONEVAL increased constantly during 2008-2011.

Graph 3.4.3 Total expenditure made by food Programs and



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2008, 2009 and 2010; Federal Public Treasury 2011 Account.

Graph 3.4.4 Total expenditure made by food Programs and Actions with annual evaluation determined by CONEVAL in 2008-2011. Federal Government, Mexico. Percentage variation



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2008, 2009 and 2010; Federal Public Treasury 2011 Account.

Chart 3.3.1 presents the expenditure during 2008 and 2011 for food programs. The program with more expenditures in absolute terms was *Oportunidades*,¹²⁵ that in 2011 reached an amount of 46 percent more than in 2008; that is to say, its expenditure is not only the highest among the food programs, but also the program that increased the most during these fiscal years.

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Thematic food program groups	Spending in Mil January	Percentage variation 2008-	
	2008	2011	2011
Food support and generation of Capacities	28,915.13	40,905.65	41.47
Oportunidades Human Development Program	22,972.51	33.443.56	45.58
Food Support Program (PAL)	474.64	3,695.14	678.55
Rural Supply Program (PAR)	2,309.28	2,586.96	12.02
Social Milk Supply Program (PASL)	3,158.72	1,180.00	-62.64
Others: Acquisition program of national milk conducted by LICONSA, SA de CV	31.34	1,738.56	5447.42
Total	28,946.47	\$42,644.22	47.32

Chart 3.4.1 Expenditure of the food programs, Federal Government, Mexico, 2008-2011

Source: CONEVAL Inventory and Federal Public Treasury Account

Note: The food Programs and Actions were reunited in thematic groups with the *Comprehensive Performance Evaluation of the Federal Programs*. The reference point for their grouping both in 2008 and 2011 are the *Comprehensive Evaluations 2010-2011* The expenditures made by Oportunidades only consider the contributions made for the program by SEDESOL and excludes those made by SEP and SALUD because the substantial part of the expenditure for food pertaining to the program is conducted with charge to this Ministry.

The *PAL* was a public policy instrument that had a more pronounced relative variation in 2008-2011 and that contributed in an important manner to the increase in expenditures made by the food program groups that were evaluated. Its expenditure increased from 475 million pesos in 2008 to 3,695 million pesos in 2011 which represented a variation of 678 percent.

It follows that among the public policies instruments favored in the budgetary year to help face the adverse international context were *PAL* and *Oportunidades*.

¹²⁵ In this chart, the expenditure of the program Oportunidades only considers the contributions made by the Ministry of Social Development and excludes those made by the Ministry of Public Education and the Ministry of Health due to the fact that the food program expenditures are conducted with charge to the ministry.

D) BRANCH 33: FUND OF MULTIPLE CONTRIBUTIONS

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The Tax Coordination Law indicates that the resources of this fund are directed to these two areas:

- a. Social Welfare: school breakfasts, food support and social welfare for population in extreme poverty conditions and abandonment.
- b. *Education Infrastructure*: construction, equipment and rehabilitation of physical infrastructure in basic and higher education.

Since the objectives and the offices that coordinate every component of the *Fund of Multiple Contributions* (FAM) are different and that it is not justified for them to operate with different funds, the analysis presented in this section highlights the findings related to access to food, focusing in the social welfare component.¹²⁶

Article 41 of the LCF stipulates that the *FAM* will be distributed among the federal entities in accordance to the allocations and regulations that are established in the Federal Expenditure Budget Decree (PEF); however, since the administration of the social welfare component is still controlled by the National System for Integral Family Development (SNDIF), the latter will be in charge of defining the distribution of the fund for each DIF state system.

The distribution resource formula takes into consideration the historical budget (the amount for the budget in 2002, last year in which the budget was allocated without formula), the Social Vulnerability Index (SVI)¹²⁷ and the Performance Rate (PR).¹²⁸

Upon examining the distributive character of the fund, the evaluation found the existence of slight positive association outputs of the *FAM*, expressed in per capita terms, and the value Marginalization Index of each state.

¹²⁶ The findings are based in the Strategic Evaluation *Branch* 33 *in the social development in Mexico: evaluation of eight public policy funds* (CONEVAL, 2011h).

¹²⁷ The SVI is integrated by vulnerability outputs of several kinds: family, disability, gender, children (education, health and nutrition. Every component is weighted differently (0.2, 0.07, 0.13, 0.3 and 0.3, respectively). From these weighting factors we can infer that SNDIF grants more importance to those aspects that concern childhood vulnerability, education, health and nutrition.

¹²⁸ The PR is calculated through a formula that promotes the implementation of the consensual food and community development regulations with the state systems. The historical budget weighing factor will decrease year by year, thus the IDV will increase. The distribution formula also stipulates that no state will receive a lower budget than the previous year.



On the other hand, upon examining the relation between the amounts per person allocated to the Fund of Multiple Contributions between 2008 and 2011 (graph 3.4.5), we can observe that in real terms the budget per person of the *FAM* decreased in an average of 2.0 percent for all federal entities.



Graph 3.4.5 Amount per person of the Fund of Multiple Contributions (FAM) by State, 2008-2011. Constant pesos during January, 2011

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Source: Federal Public Treasury Account 2008, 2011 and multidimensional poverty measurement, CONEVAL 2011.

Baja California Sur, Tlaxcala and Aguascalientes presented higher reductions in the budget per capita of the *FAM* (decreases of 16.9, 13.8 and 12.9 percent, respectively). In turn, the entities that registered higher increases were San Luis Potosí, Veracruz and State of Mexico (10.2, 9.9 and 8.6, respectively).

The entities with higher amounts per capita spent during the period were Chiapas (103.8 million pesos), Oaxaca (101.6 million pesos) and Guerrero (94.3 millions). The entities with the lower amounts were Baja California (32.2 million), Nuevo León (34.5 millions) and Coahuila (34.9 millions).

E) FOOD PROGRAMS RESULTS

Some findings and results that are relevant to the food programs of the Federal Government are presented below:

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- The *Rural Supply Program* that Diconsa is in charge of reviewed the caloric and nutritional content of some of their food products that are commercialized in stores in order to improve their nutritional value, mainly those self brand products. It is necessary to analyze the permanence of stores in metropolitan areas (CONEVAL, 2011q; 2011u).
- The main impact of fortifying the powdered milk distributed by the Social Milk Supply Program can be observed around the sixth month after the consumption of fortified milk began as a decrease in the prevalence of anemia among children between 12 and 23 months of age. However, it heeds mainly urban areas (CONEVAL, 2011q; 2011w).
- Oportunidades has a positive impact in the height of the children whose mothers do not have education, since they grow 1.5 centimeters in rural areas (CONEVAL, 2011q; 2011v).

F) CONCLUSIONS

- Mexico is in a situation in where a population group with malnutrition, overweight and obesity exist simultaneously. This situation poses additional challenges to the attention of food and nutritional safety problems.
- Additionally, the juncture 2008-2010 had an increase in the deprivation of access to food, derived from the economic-financial crisis of 2009, as well as the volatility of food prices since 2007. A lower level of access to food could affect the nutrition condition of the population, particularly in vulnerable groups.
- The food programs constituted in 2008-2011 one of the most important interventions of the budgetary role for social welfare, because basically one of two pesos that the Federal Government spent was destined for food programs. The expenditures made by the programs evaluated increased constantly in 2008-2011.



• The *Food Support Program* was a public policy instrument that had a more pronounced relative variation in 2008-2011 and that contributed in an important manner to the increase in expenditures. However, in absolute terms the program with the highest expenditure was *Oportunidades*.¹²⁹

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- Despite the budgetary increase for several programs, the increase in deprivation of access to food could not be stopped in 2008 and 2010.
 While the programs have had some results in relation to access to food, the negative effect of the income reduction and increase in food prices that the country suffered since 2007 exceeded the effect of the social programs here analyzed.
- The international economic turmoil that is anticipated for the next years, as well as the constant fluctuation in food prices, could place food issues as a priority for the country in years to come.
- In 2010 the *Strategy against Overweight and Obesity* was launched, but its impact is still unknown. It is important to evaluate and monitor the actions and results to make the necessary amendments.
- In relation to the funds of Branch 33, the resources per person of the *Multiple Contribution Fund*, in the social welfare output, do not hold any relation to the population variation with deprivation of access to food in 2008-2011 at state level.

V. Dwelling

Dispose of own, worthy and adequate housing is one of the rights established in Article 4 of the Constitution of the United Mexican States. Article 2 of the Housing Law stipulates that a worthy and adequate housing are those that comply with the applicable legal regulations in terms of human settlements and construction, habitability, healthiness, that has basic services and provides its dwellers with legal safety for the prevention of disasters and physical protection before natural elements that could aggressive.

¹²⁹ The expenditures made by Oportunidades only consider the contributions made by the Ministry of Social Development and excludes those made by the Ministry of Public Education and the Ministry of Health due to the fact that the food program expenditures are conducted with charge to the ministry.

Article 6 of the LGDS (General Law of Social Development) stipulates, in turn, that housing is one of the social development rights and, Article 14, that the social development policies must include it as one of its strands for overcoming poverty.

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This right is considered for the multidimensional poverty measurement through two indicators for social deprivations:

- a. Quality and Dwelling Spaces. A family is in a deprivation of quality and dwelling spaces situation when i) the material used for the floor is mud, ii) the material used for the roof is residue or cardboard sheets, iii) the material used for the walls is mud or bajareque, palm leaves, bamboo or reed, cardboard sheets, metallic, asbestos or residue material; and iv) there is a rate higher than 2.5 people per room.
- b. Access to Basic Services. A family is in a deprivation situation of access to basic services in dwelling when i) they don't have running water, ii) they lack drainage, iii) the house does not have electricity or iv) when the combustible used is coal or firewood without chimney.

The National Development Plan (PND) 2007-2012 establishes a policy to guarantee the access to housing; in first place it recognizes that during the six years of the federal administration 2006-2012 the demand for housing will reach around 4 million units and that added to the 2 million families that in 2006 required an independent home, it represented the need to boost the offer of 6 million homes. To this demand we can add the deficiencies and insufficiency in the identification of appropriate ground for the economic and housing development due to their services and infrastructure availability, as well as the need to conduct improvements or extensions to more than 1 million homes that require it, as well as to face the housing phenomena that has extended without having services such as drinking water, drainage or electricity.

The National Development Plan (PND) 2007-2012 poses as general objective, to deal with and improve the situation, extend the aces to financing for housing for the most vulnerable segments of the population, and embark in construction projects in an ordered, rational and sustainable context.

These sections are organized around two axes: on one hand, the aspects related to financing for the acquisition of housing and, on the other, infrastructure and services. In this way, in the first section a diagnosis of the housing situation in Mexico is presented. In the second, there is a brief description of the characteristics of the group of programs. In the third section, the expenses made in 2008-2011 by the housing programs are analyzed. In the forth, the distribution of resources per federal entity of the *Contribution Funds for Social Infrastructure* (FAIS) of Branch 33 are contrasted with the deprivation indicator for basic



services of the multidimensional poverty measurement. Lastly, some housing programs results are presented, as well as their conclusions.

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A) DIAGNOSIS OF THE ACCESS TO HOUSING SITUATION

I. Financing for Housing Acquisition

In accordance to the National Population and Housing Census 2010, there were 35,617,724 private homes; from these 28,138,556 were inhabited; from these 78 percent were located in urban areas and 22 percent in rural areas which represents an increase of over 33 percent in urban areas and almost an 22 percent in the countryside, in relation to 2000 (INEGI, 2001; INEGI, 2011a). A modest increase was registered in the amount of housing that is not owned (that does not belong to its dwellers) of 21 percent in 200 to 23 percent in 2010 (INEGI, 2001; INEGI, 2011a).

The National Housing Program (PNV) 2008-2012 indicates that half of the people with financing needs to acquire housing belong to homes with income not higher than four minimum wages, while a third part is located in homes with income of up to three minim wages and a fifth in homes with an income not exceeding to minimum wage.

The PNV 2008-2012 indicates that, besides the housing demand and its constant increase, housing needs improvements or expansions related to quality and durability of the materials and, specifically, for the roofs, walls and floors.

Concerning the extension needs, the results of the National Population and Housing Census 2010 indicate that in 41 percent you get five or more people living in the houses, while in seven percent there is only one room and in 17 percent only two. Rural housing registers higher backwardness in relation to urban homes, particularly in the procurement of drinking water and drainage.
II. Infrastructure and Services

According to the multidimensional poverty measurement 2010, the deprivation of access to basic services in the dwelling had a national incidence of 16.5 percent, which corresponds to 18.5 million people;¹³⁰ 2.7 percentage points less than in 2008; that is to say, 2.6 million people less that had this deprivation. In first place, this was due to a higher number of homes accessing drinking water services, since the access to the drainage and electricity network was expanded (CONEVAL, 2011t).

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On the other hand, in 2010 the deprivation of quality and spaces of the dwelling had a national incidence of 15.2 percent, which corresponds to 17.1 million people; 2.5 percentage points less than in 2008; this decrease is due to, in great measure, the reduction of the deprivation indicator for dirt floors and , in less measure, the decrease of whom resided in homes with overcrowding, as well as roofs and walls of weak material (CONEVAL, 20011t).

The infrastructure and services are more deficient in rural areas than in urban areas, therefore, we can infer that the increase in urban population was joined by an important improvement in the procurement of drinking water, drainage, sanitation and electricity systems. However, within urban areas there are areas with lags in infrastructure and basic services for the population, mainly where poor sectors dwell in (Schteingart, 2002).

B) HOUSING PROGRAMS AND ACTIONS

In 2011 the Federal Government had 10 Programs and Actions related to financing, infrastructure and housing services (corresponding to 16 percent of the resources approved in 2010 for the urbanization, housing and regional development of the budgetary role for the social development expenses; that is to say, 26,476 million pesos). These programs represent 4 percent of the universe of 272 programs of social development in the *CONEVAL* Inventory.

From these 10 programs, eight were subject to the *Consistency and Results Evaluations CRE* in 2011-2012 (26,073 million pesos in 2011);¹³¹ these are programs that are described and analyzed in the following sections concerning expenses and results. In Annex II, a list with all the housing programs can be consulted.

Graph 3.5.1 Number of Housing Programs and Actions by office, Mexico, Federal Government, 2011

¹³⁰ Chapter II deals with the evolution of social development in Mexico and presents information on the deprivation of

quality and spaces of the dwelling, as well as access to basic services in México in 2008 and 2010.

¹³¹ Consult the definition of programs evaluated in the glossary of terms.



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2011.

Graph 3.5.1 displays the total number of housing Programs and Actions distributed by office, as well as the subset integrated by the programs evaluated with CRE in 2011-2012.

C) SOCIAL EXPENDITURE IN HOUSING PROGRAMS

In this section the expenditures made by the housing Programs and Actions in 2008-2011 are described. The objective is to contextualize the expenditure and identify which were the benefited instruments, through the expense lens, to improve the Financing for Housing Acquisition, as well as its infrastructure and services. Among others, the relative importance of the group of programs expenditure in relation to the budgetary role of urbanization, housing and regional development of the functional group, in 2008-2011, besides its relative variation in this period are examined.¹³²

¹³² In Annex I the functional organization of public expenditures is explained.

The budget approved for the urbanization, housing and regional development functions was 166,599 million pesos in 2011, an amount 21 percent lower than in 2008 (amounts expressed in constant pesos from January 2011, see graph 3.5.2). The expenditures for the 10 housing programs correspond to 16 percent of resources approved in 2011 for this function; that is to say, 26,476.18 million pesos. This rate is six percentage points higher than in 2008, when the expenditure for housing programs represented 9.8 percentage points; being 2.5 points lower than in 2010. This means that in 2010 almost two of every 10 pesos of the budgetary role expenditure for urbanization, housing and regional development were destined to housing programs, in 2011 this amount decreased to 1.5 for every 10 pesos.

Graph 3.5.2 Expenditure of the housing Programs and Actions in relation to the budgetary role for urbanization, housing and regional development of expenses for social development, Mexico, 2008-2011. Million pesos in January, 2011

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Source: Federal Public Treasury Account 2008, Federal Expenditure Budget Decree 2010 and 2011 and CONEVAL Inventory of Federal Programs and Actions for Social Development 2010.

The eight Programs and Actions with evaluation spent 26,073 million pesos of the total amount corresponding to the 10 housing programs (graphs 3.5.3 and 3.5.4); that is to say, the housing programs evaluated spent 98 percent of the total housing expenditures and 16 percent of the budgeted expenditures in 2011 for urbanization, housing and regional development.

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The percentage variation of the evaluated programs in 2011 in relation to 2008 was a decrease of four percentage points; however if we only consider the change in relation to 2010, we can observe an increase of eight percent (graph 3.5.3). This decrease in the expenditures during 200-2011 by the housing programs in great measure is due to the reduction registered by the program Esta es Tu Casa that in 2011 had a lower budget than during all the analyzed period. Other programs that spent less in 2011 in relation to prior years are *Habitat and the Program for the Development of Priority Areas*.

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Graph 3.5.4 Total expenditure of housing Programs and Actions with annual evaluation determined by CONEVAL in 2008-2011, Federal Government, Mexico. Percentage variation **Graph 3.5.4** Total expenditure of housing Programs and Actions with annual evaluation determined by CONEVAL in 2008-2011, Federal Government, Mexico, million pesos in January, 2011



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2008, 2009 and 2010. Federal Public Treasury Account 2011.

Chart 3.5.1 presents the expenditure during 2008 and 2011 for housing programs. We can observe that the group of programs with the highest expenditure in 2011 was infrastructure and services with 9,426 million pesos, 102^{133} 333 percent more than in 2008. This group only had in 2008 the *Habitat* program, but starting from 2009 the *Program for the Development of Priority Areas* was created and included. It is worth mentioning, however, than in 2008 the most important group of programs was the financing of housing acquisition with an expenditure of 8,772 million pesos.¹³⁴ There was the same amount of the group of numbers (five) from 2008 to 2011.

¹³³ The infrastructure and services programs are mainly aimed to the infrastructure of the housing environment, but that impacts the quality of housing.

¹³⁴ The financing programs for the acquisition of housing aim to correct the distortions caused by the actions of the private agents in the housing market. The group is integrated by programs that promote the access to adequate housing.

Thematic housing program	Spending in Mil January	Percentage variation 2008-		
groups	2008	2011	2011	
Financing for Housing Acquisition	8,772.11	8,685.04	-0.99	
Infrastructure and Services	2,174.64	9,425.80	333.44	
Others	9,911.36	8,365.34	-15.60	
Total	20,858.11	26,476.18	26.93	

Chart 3.5.1 Expenditure of the housing Programs and Actions, Federal Government, Mexico, 2008-2011¹³⁵

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Source: CONEVAL Inventory and Federal Public Treasury Account 2008.

Note: The housing Programs and Actions were reunited in thematic groups with the *Comprehensive Performance Evaluation of the Federal Programs*. The reference point for their grouping both in 2008 and 2011 are the *Comprehensive Evaluations 2010-2011*

Upon reviewing individually the housing programs we can observe that those characterized for their high expenditure during 2008-2011 are the *Financing and Federal Subsidy for Housing Scheme (Esta es Tu Casa) and the Program for the Development of Priority Areas.* The high expenses made by the former is due to the fact that it is one of the main axis of the Adequate Housing strategy of the Federal Government, while the *Esta es Tu Casa Program* is the main public policy instrument in the procurement of housing support.

Among the programs characterized by the important budgetary variation between 2008 and 2011 are the *Habitat Program* that increased its expenditure in a 63 percent and the *Rural Housing Program* that increased its expenses in a 52 percent. The increases in the expenditure of *Habitat* were continuous in 2008-2010 (due to the sustained expansion of goals related to the infrastructure works in the intervened polygons), but decreased in 2011.

¹³⁵ The thematic housing program groups are:

i. Housing and services programs: Financing and Federal Subsidy for Housing Scheme (Esta es Tu Casa), Housing Saving and Subsidy Program Tu Casa, Rural Housing Program, Program to Support Residents in Conditions of Asset Poverty to Regularize Irregular Human Settlements (PASPRAH), Housing Production Development in the Federal Entities and Municipalities.

ii. Infrastructure and Services Programs: Habitat Program and Program for the Development of Priority Areas (using resources since 2009).

iii. Others: Local Development Program (micro-regions) (only in 2008), Program for the Development of Priority Areas (only in 2008), Drinking Water, Drainage and Sanitation Program in Urban Areas and Construction and Rehabilitation Program in Drinking Water Systems and Sanitation in Rural Areas.



D) BRANCH 33: Contribution Fund FOR SOCIAL INFRASTRUCTURE (FAIS)

Article 33 of the Tax Coordination Law establishes that the federal contributions deriving from this fund for the entities and municipalities "must be destined exclusively to the financing of works, basic social actions and investments that benefit directly the social gap and extreme poverty in population sectors."

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The *FAIS* is divided in two funds: the *Fund of Contributions to the State Social Infrastructure* (FISE) *and the Fund for Municipal Social Infrastructure* (*FISM*). The former carries out works and actions at state, regional or inter-municipality level. However, the *FISM*, contemplates the following aspects: drinking water, drainage, sewage and latrines; municipal urbanization; rural and poor neighborhood electrification; basic health infrastructure; basic education infrastructure; housing improvement, rural roads and rural productive infrastructure.

The *FAIS* resources are distributed in accordance to the relative participation of each entity in scale and depth of the national poverty level, measured through the deprivation levels established by the LCF. The proportion that the state deprivation levels represent in relation to the national deprivation levels determines the relative resources percentage that each entity should receive. The deprivation levels are determined with the Poverty Global Index, which is the weighted sum of five indicators: household per capita income level, household average educational levels, besides the household space availability, drainage and cooking combustible-electricity (to know more details refer to CONEVAL, 2011h).

Upon comparing the *FAIS* resources with the household basic services deprivation in the population, we can see a strong association between the two. In this way, it can be said that the distribution of this fund's resources complies with its main objective to finance works that benefit directly states where the poverty incidence is higher (CONEVAL, 2011h).

The distribution of the *FAIS* municipal outputs, the *FISM*, among the states seems to be more related to a redistributive logic, according to which the entities with lower levels of human development receive higher priorities (CONEVAL, 2011h: 44).

On the other hand, if the *FAIS* allocation of resources per person is analyzed, (*FISM* components) for every federal entity in 2008 and 2011, (at constant pesos during January, 2011), the expenditure is in real terms lower than in 2011 in relation to 2008 (decrease of 11.1 percent), with which there is no real growth of the resources.



Graph 3.5.5 Amount per person of the Fund of Contributions to the Social Infrastructure (FAIS) by State, Mexico, 2008-2011

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Graph 3.5.5 shows that the real expenditure per person decreases in every State.¹³⁶ The entities with the most pronounced decreases are Quintana Roo and Baja California Sur (-16.8 and -16.2 percent, respectively).

The entities with higher expenditures per person were Oaxaca, Chiapas and Guerrero, in that order.

E) HOUSING PROGRAMS RESULTS

The main results achieved by the group of Federal Government programs aimed for the access to housing for Mexican population are presented in this section.

Source: Federal Public Treasury Account 2008, 2011 and multidimensional poverty measurement, CONEVAL 2011.

¹³⁶ Mexico City does not participate in the resources of this fund.



I. Financing for Housing Acquisition

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 The beneficiaries of the program *Tu Casa* live in houses with better quality floors, walls and roofs and have better access to drinking water and drainage services than before the intervention. However, some houses are abandoned due to lack of services in areas where the new ones are built in.

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II. Infrastructure and Services

- The *Program for the Development of Priority Areas* substituted dirt floors for firm floors in 584,695 homes, provided sanitation services in 28,875 homes, installed 142,473 ecological stoves, provided running water for 29,071 homes, benefited 29,710 homes with electricity and carried out 356 sanitation works.
- The Program for the Construction and Restoration of Drinking Water Systems and Sanitation in Rural Areas reduced the lag in drinking water provision in 4.5 percent and provided sewage to 2 percent of the rural population that was deprived of this service.

F) CONCLUSIONS

- There is a demand of 4 million new homes, particularly in households with an income lower than two minimum wages.
- Between 2008 and 2010 important improvements in household quality and basic services was observed. The coverage for firm floors, electricity, drainage, drinking water in households has been expanded and overcrowding has been reduced.
- Despite these advances, there are still gaps concerning overcrowding and drinking water in several federal entities. The high percentage of abandoned homes is, in turn, a very important challenge for the housing sector. This problem invites us to reflect in the possible impact of the lack of urban planning and violence.
- While the financing programs for the acquisition of housing are aimed to heed the most impoverished socioeconomic sectors, this intervention results insufficient to recompose the distortion that the economic dynamic generates in this sector.

The standards of the housing financed with the support of these programs are decreasing: the size of the family homes that are currently being built reaches in some cases only 30 square meters (CONAVI, 2010), without mentioning that they use to be located in areas far from urban centers or sub-centers, which creates difficult living conditions (Martinez, 2011).

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- In 2011, 1.5 pesos in every 10 pesos of the budget function expenditure were destined for urbanization, housing and regional development for housing projects, amount that increased six percentage points in relation to 2008, when only one in every 10 pesos were destined for housing.
- The most relevant public policy intervention of the financing program groups for the acquisition of housing is *Esta es Tu Casa* operated by the National Housing Commission (CONAVI), who provides the highest amount of supports, and uses two thirds of the total expense for this group, even though during the 2008-2011 period, its expenditure decreased in 9.2 percent.
- The programs with the highest growth in expenditures during 2008-2010 are *Habitat and the Rural Housing Program pertaining to SEDESOL*.
- Concerning the Contribution Fund for *Social Infrastructure* (FAIS) of Branch 33, it can be concluded that there is a strong association between the allocations of resources by entity with deprivation of access to basic services in the dwelling.
- The state and municipal governments have contributed to the installation of infrastructure for water and drainage with the resources of Branch 33. However, it is necessary to mention that the provision of infrastructure to take water from the municipality to the houses is responsibility of the local governments, therefore, it is necessary to establish adequate mechanisms to coordinate the three government orders.



SECOND PART. CROSS-CUTTING THEMES OF SOCIAL DEVELOPMENT POLICY

II. Dispersion of federal programs

Generally, to face the multiple challenges of social development diverse budget Programs and Actions are necessary, but having many programs will not always translate in a better public policy.

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For this, in this section a new tool for federal social programs is used: the *CONEVAL Inventory of Federal Programs and Actions for Social Development* 2010 (CONEVAL Inventory). It reunites in one system information on 273 federal social Programs and Actions and which analysis can help determine the use that could be given to these instruments. The *CONEVAL Inventory* includes variables as a type of support, budget, population to which the support is addressed, social rights to which the contribution is for and the institution in which the program operates. Recently the *CONEVAL Inventory* of State Programs and Actions was releases, in which 2,391 social development programs were detected.

It is worth mentioning that an analysis of this kind would benefit from systematized and accessible information on the State Programs and Actions (for example, chart 3.1.7 can be considered since it describes the characteristics of 13 state programs aimed for senior citizens; however, the information of this kind does not always exists or is accessible). Unfortunately, due to the fact that there is not much accessible systematized information on local programs, the analysis is reduced to federal levels.

A conclusion is anticipated: if the analysis of the *CONEVAL Inventory* suggests that many social development programs have been generated and that for this reason there is a lot of dispersion as well as lack of coordination between federal levels, if the local government programs were included, the problem would be even worse.

Graph 3.6.1 shows the total number of programs or actions for Social Rights or Economic Welfare Dimensions that integrate the *CONEVAL Inventory*; as observed, of the 273 federal Programs or Actions for social development in force during 2010, 34.4 percent are linked directly with Education Rights, 20.5 percent to the Economic Welfare Dimensions, while those related to Health Rights represent 14.7 percent.

The expenditure by the federal Programs or Actions in 2010 ascended to 675,703.6 million pesos. From these, the most important proportions correspond to education rights (197,293.9 million pesos) and health (187,174.3 million pesos), as well as the economic welfare dimension (153,166.5 million pesos; all the amounts are expressed in pesos in January, 2011) (graph 3.6.2).

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Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2010.





Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2010.





Graph 3.6.3 Percentage of federal Programs and Actions by institution, Mexico, 2010

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Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2010

Graph 3.6.4 Expenditure by federal Programs and Actions by institution, Mexico, 2010 (Million pesos in January, 2011)



Source: CONEVAL Inventory of Federal Programs and Actions for Social Development 2010

The institutions are those offices and entities that operate the federal programs and actions that integrate the *CONEVAL Inventory*. As observed in graph 3.6.3, the institution with a greater number of Programs and Actions is the Ministry of Public Education (SEP) that operates 96, followed up by the Ministry of Environment and Natural Resources (SEMARNAT) with 27 and the Ministry of Social Development (SEDESOL) that has 24.

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The institutions with the highest expenditure in 2010 were the Ministry of Public Education (196,549.2 million pesos), the Mexican Institute of Social Security (150,475.7 million pesos) and the Ministry of Social Development (104,082.4 million pesos), all these with an expenditure higher than 100 thousand millions.

	Institution								TOTAL				
Social Rights or Economic Welfare	SRA	STPS	IMSS	CONACYT	Economy	HEALTH	SHCP	ISSSTE	SAGARPA	SEDESOL	SEMARNAT	SEP	TOTAL
Food	-	-	-	-	-	-	-	-	-	5	-	-	5
Education	-	-	-	4	-	1	1	-	3	-	-	85	94
Healthy Environment	-	-	-	-	-	-	1	-	2	1	23	-	27
Non Discrimination	-	-	-	-	-	-	7	1	-	5	-	6	19
Health	-	-	6	-	-	13	1	16	-	-	2	2	40
Social Security	-	-	1	-	-	1	-	1	-	1	-	-	4
Work	1	7	-	-	2	-	4	-	-	2	-	3	19
Housing	-	-	-	-	-	-	2	-	-	5	2	-	9
Economic Welfare	4	-	2	7	13	2	4	2	17	5	-	-	56
Total	5	7	9	11	16	17	20	20	22	24	27	96	273

Chart 3.6.1. Federal Programs and Actions by type of social rights or economic and institution welfare dimensions, Mexico, 2010

Source: CONEVAL estimate based in the CONEVAL Inventory.

As observed in chart 3.6.2, the programs and actions for Social Rights or Economic Welfare Dimension and institution offer different kinds of support. The majority of the programs or actions grant some kind of support linked to Education Rights (124); from these, 19 provide training (15.3 percent), 18 provide education services (14.5 percent) and 16 provide books or learning material (12.9 percent).

In relation to the Programs and Actions liked to the Economic Welfare Dimension (80), 13 will provide training (16.3 percent) and nine will provide technical counseling 11.3 percent). On the other hand, from the 62 programs that concern Health, 26 of these provide physicians and sanitation (41.9 percent), while in nine programs (14.5 percent) there are campaigns or promotions.

While it is impossible to determine with this tool of the diverse federal social programs have clear duplicities between them, from this brief revision it can be concluded that there is a high number o programs addresses to care similar deprivations and for this reason they are so dispersed. This implies an important

coordination challenge. Although there are coordination instances —such as the Inter-Ministry Social Development Commission—, the amount of programs in diverse institutions that care for similar problems give these instances limitations.

Chart 3.6.2 Programs and Actions by Social Rights or Economic Welfare Dimension and type of specific support being delivered, Mexico, 2010

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	Social Rights or Economic Welfare									
Type of support	Food	Education	Healthy Environme nt	Non Discrimination	Health	Social Security	Work	Housing	Economic Welfare	TOTAL
Shelter	-	1	-	-	1	-	-	-	-	2
Food	3	-	-	-	1	1	-	-	-	5
Legal Counseling	-	1	-	1	-	-	1	2	1	6
Technical Counseling	-	12	5	-	1	-	8	2	9	37
Grant	1	11	-	-	2	1	1	-	2	18
Campaigns or Promotion	1	2	2	3	9	2	2	-	2	23
Training	1	19	5	2	8	1	8	2	13	59
Compensation Guaranteed upon Entry	1	3	-	-	-	-	-	-	3	
Technical Studies and/or Environment Services Financing	-	-	2	-	-	-	-	-	-	2
Social Project Financing	-	2	-	5	1	-	-	-	1	9
Childcare centers	-	-	-	1	-	-	-	-	2	3
Books and/or Learning Material	1	16	-	-	4	-	-	1	-	22
Public Works	-	-	2	1	-	-	-	2	1	9
Land or Estate Tenure Regularization	-	-	-	-	-	-	-	1	-	1
Patrimony, Assets and Services Coverage Insurance	-	-	1	-	-	-	-	-	1	2
Health Services	1	1	-	1	26	1	-	-	2	32
Education Services	-	8	-	1	-	-	-	-	-	19
Price Subsidy	-	-	1	-	-	-	-	-	3	4
Land, Plot or Parcel	-	-	-	-	-	-	-	2	-	2
New Housing or Improvement of Pre- existing Housing	-	-	-	-	-	-	-	3	-	3
Other	3	38	18	10	9	2	14	5	40	139
Total	12	124	36	25	62	8	34	20	80	401

Source: CONEVAL Inventory.

Note: 245 federal Programs and Actions were considered, in 28 the information is not available (NA). A federal Program or Action can provide more than one kind of support therefore the sum of these can coincide with the total of programs.

Chart 3.6.3 shows how the number and the budget for federal programs of social development have evolved since 2004 (exclusively under the *CONEVAL Inventory* scope). This comparison over a period of time is only valid between 2004 and 2007 and between 2008 and 2011, because in 2008 the counting method of the federal budget programs was modified in the *CONEVAL* Inventory.

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Year	No. Programs (S and U)	No. Actions (E and B)	Total	Original Budget Million Pesos
2004	89	0	89	72,122.23
2005	78	0	78	73,006.65
2006	188	0	188	122,131.83
2007	104	0	104	73,171.71
2008	139	107	246	487,579.09
2009	180	92	272	587,588.07
2010	186	87	273	626,083.64
2011	178	94	272	692,003.81
2012	188	89	277	743,768.08

Chart 3.6.3 Programs and Actions of the CONEVAL Inventory, Mexico, 2004-2012

Source: CONEVAL estimate based in the CONEVAL Inventory.

Note: In budgetary terms, the interventions of social development can be classified in Programs and Actions. The Programs, in turn, have two categories: with Operation Rules (S modality) and other subsidy programs (U modality); while the Actions are divided in Provision of Public Services (E modality) and Provision of Public Assets (B modality).

Between 2004 and 2007 there was an increase of 17 percent in the number of programs and one percent in their budget. Between 2008 and 2011 the number of programs increased 11 percent and the budget in 42 percent, which contributed to have a greater dispersion of programs.

It cannot always be understood why every year social development programs are formulated; some by the executive authority, others by the federal entities, through the legislative power, with the purpose to have more budget for the local governments. Possibly several are created to solve concrete population problems, but due to the fact that the results of these programs cannot be always accessed, it is inevitable to suspect of political ends.

As previously mentioned, to this problem it is necessary to add a multiplicity of local governments Programs and Actions. In the State's case, at least 2, 391 programs and actions were detected. The number of programs and actions that exist at local and federal levels suggest that it is important to improve both the planning of the social policies in the Federal Government and in the state governments, as well as the coordination within the federal and local governments and between government orders.

III. Distributive incidence and equity of social expenditure: 2008-2010

In this section the distribution of the main social expenses and subsidies categories for consumption among the population in 2008 and 2010, are analyzed.

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Every public expenditure —whether classified as social or not, in cash transfers or in cash, in private or public assets— inevitably have redistributive effects.¹³⁷ For this reason, besides its objectives, it is always pertinent to evaluate any public expenditure area and, particularly, in the equality dimension. This evaluation is particularly relevant in a society with comparatively high levels in inequality in primary income as well as fiscal resources that are comparatively limited.

On the other hand, the public expenditure instruments have multiple objectives that can include or not equality, and, even in those cases in which it is encompassed, it can be subordinated by other goals (such as correcting market failures, improve efficiency, promote the economic growth or provide basic public assets such as public safety). Few public expenditure instruments have purely redistributive objectives, but many do include them. For this, the distributive incidence analysis presented next should be interpreted as a relevant dimension among others for the global evaluation of social expenses.

It should be noted that the expense incidence analysis reports the distribution of the resources spent by the programs, not its impact or its efficiency for the welfare improvement of the population benefited with these resources. It is important to remember that the program objectives can be many and do not have to be limited to equality. For this reason, the fact that a program is regressive can be justified since it can be addressing other purposes. The distributive incidence valuation of a public policy instrument is conducted exclusively to evaluate the allocation of social benefits in equality terms. For this reason, it is necessary to be careful upon valuating the public importance of the different instruments of social development based on this analysis. For example, in the case of social security pensions or higher education grants, those that are allocated with greater emphasis to relatively high deciles, does not imply that should be eliminated, but its extension to the first deciles should be analyzed.

The analyzed public expenditure covers the vast majority of the federal and state social expenditure for an amount of 1,564 and 1,401 thousand million pesos in 2010 and 2008, respectively. Except for housing quality and services, the areas and programs analyzed represent the main public expenditure instruments in the

¹³⁷ This would not be the case if only a public transference would coincide perfectly with the distribution of the market household income, or if a public asset were valued by the household precisely in proportion to their participation in the market income.

poverty measurement dimensions: education, health, social security, food and economic welfare (transfers and subsidies for consumption).

Graph 3.6.5 Distribution of the public expenditure by dimension, Mexico, 2010 (Percentage participation in the expenditure by population deciles ordered by income before cash transfers)

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Source: Scott, John calculations based in the ENIGH 2010 and the Public Account 2010.

The analysis was conducted based on the transfer information and the use of public services reported in the ENIGH 2008 and 2010 (MCS, NCV) of the corresponding years, and in the total sums in the public accounts. The general methodology to estimate the distribution of the public expenditure among the population is referred to as the benefit incidence analysis and represents the most common method to estimate the distribution and incidence of the public expenditure in households.

The distribution of public expenditure benefits by deciles of people ordered by the current per capita income before the public cash transfers is presented (graphs 3.6.5 to 3.6.11). Deciles 1 represents the poorer 10 percent of society in terms of this income measurement, while deciles 10 represents the richer 10 percent. In Annex III the greater methodological details, as well as the results presented synthetically through concentration indexes, are presented.

Graph 3.6.6. Distribution of the public expenditure for education, Mexico, 2010 (Percentage participation in the expenditure by population deciles ordered by income before cash transfers).

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Source: Scott, John calculations based in the ENIGH 2010 and the Public Account 2010 and SEP, Main Figures for School Year 2010-2011.

Likewise, the distribution of the main areas and programs among the population grouped in function to the line and the minimum line, are analyzed (graph 3.6.12).

When the transfers are disproportionately concentrated in the low income population (for example, if the poorer 10 percent of the population receives over 10 percent of a transfer), these distributions will be referred to as progressive in absolute terms, or pro-poor; if, on the contrary, the public resources are concentrated in the higher income population (for example, the richer 10 percent receives 10 percent of a transfer), these will be called regressive in absolute terms. It is important to clarify that the absolute regression of a public program does not imply that it will contribute to increase inequality. It only implies that its allocation does not prioritize the low income groups.

For a transfer to contribute to the increase of inequality it is necessary that its distribution becomes more unequal, or regressive, than the income obtained in the market households, before public transfers. When this happens, the transfers will be described as regressive in relative terms. Given the level of inequality that prevails in Mexico, to consider a transfer as regressive in relative terms and, therefore, contributing to increase instead of reduce income inequality, the poorer 10 percent, for example, would have to obtain less than 1 percent of the transfer, while over 40 percent would have to concentrated in the richer 10 percent of the population. As we shall see, there are many social expenditure categories with some degree of absolute regression, but few result regressive in relative terms.

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The main results are summarized below:¹³⁸

- The distributions vary widely between the five functional groups (graph 3.6.5), as well as within each program: all in all, the public food expenditure is highly progressive, the education expenditure is slightly progressive, the health expenditure is basically neutral, while the public resources spent in economic welfare and social security are regressive in absolute terms.
- 2. In education (graph 3.6.6), the Oportunidades grants are highly progressive, the public services for basic education are progressive, those for higher secondary education present less participation in the extreme deciles (due to different factors: economic and geographic barriers to its access for the poorer strata, preference for higher quality services in the deciles 10), while the services for higher education and public grants do not pertain to the Oportunidades program are concentrated in the higher income levels. In the case of higher education, this is caused, above all, by the choice limitations of the population in the first deciles, which opportunity costs for education are increased in these stages of life.

¹³⁸ It is important to remember that the social development programs can have several objectives, besides those associated to equality. For this reason, the fact that a program is regressive can be justified since it can be addressing other purposes. The distributive incidence valuation of a public policy instrument is conducted exclusively to evaluate the allocation of social benefits in equality terms.

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Graph 3.6.7. Distribution of the public health expenditure, Mexico, 2010 (Percentage participation in the expenditure by population deciles ordered by income before cash transfers)

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Source: Scott, John calculations based in the ENIGH 2010 and the Public Account 2010.

3. Concerning health services (graph 3.6.7), the care provided by *IMSS-Oportunidades* and the Ministry of Health (federal and state) are highly progressive, as well as by the affiliation to the *Popular Insurance*, while the social security health services are concentrated in the higher distribution end.



Graph 3.6.8. Distribution of the public health expenditure, Mexico, 2010 (Percentage participation in the expenditure by population deciles ordered by income before cash transfers)

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Source: Scott, John calculations based in the ENIGH 2010 and the Public Account 2010.

4. Concerning social security (pensions) (graph 3.6.8), the federal and state non-contributive pension programs (70 y Más) are highly progressive, except the Program for Senior Citizens in Mexico City, that in the ENIGH 2010 resulted as regressive nationwide (this could be explained partly because of the relatively high income levels in Mexico City), but also when the distribution within Mexico City is analyzed (not reported in the graph). The subsidies for social security pension systems are regressive which reflects mainly its minimum coverage for the poorest segments. Since the income of public workers is usually higher than the rest of the workers, the ISSSTE pension subsidies system is regressive in relative terms.

It is important to take into consideration that this analysis is limited to the benefits of the public expenditure, not to financing, therefore it doesn't consider the contributive history of the social security beneficiaries. For this reason, the value or the incidence of the net benefits of these contributions received by these beneficiaries, that, in many cases, can result negative (accrue contributions higher than collected benefits) cannot be deduced from this data. On the other hand, what can be deduced clearly from these systems is that they have not achieved to expand the right to access to social security in the lower-income strata and, for this, of higher vulnerability.



Graph 3.6.9. Distribution of the Public Expenditure for Food, Mexico, 2010 (Percentage participation in the expenditure by population deciles ordered by income before cash transfers)

Source: Scott, John calculations based in the ENIGH 2010 including the Social Program Module 2010 and the Public Account 2010.

5. Concerning food (graph 3.6.9), Oportunidades and the Rural Supply Program of Diconsa are highly progressive; School Breakfasts and the Food Support Program are less so. The latter has a low participation in poorer deciles in comparison to Oportunidades, despite that it was originally designed as an instrument to cover people in remote areas excluded from Oportunidades. LICONSA still presents a relatively low participation in poorer strata, similar to strata seven to nine.





Graph 3.6.10. Distribution of Public Expenditure in Economic Welfare, Mexico, 2010. (Percentage participation in the expenditure by population deciles ordered by income before cash transfers)

Source: Scott, John calculations based in the ENIGH 2010 and the Public Account 2010.

6. Concerning economic welfare (graph 3.6.10), PROCAMPO and the Temporary Employment Program appear as progressive in absolute terms. PRO-CAMPO presents an important progression increase in relation to 2008, consistent with a change in the program operation rules towards a better localization (as recommended in the Evaluation Report on Social Development Policy in Mexico 2008), but it is important to mention that the two highest deciles receive a greater percentage than the intermediate deciles, because the program still has regressive elements in that segment of the population.²¹⁵

²¹⁵ Given the program's concentration of benefits in a reduced number of large producers, the ENIGH does not have the required size to capture adequately these benefits in the highest end of the income distribution.

Graph 3.6.11. Alternative definitions of the social expenditure, Mexico, 2008-2010. Distributions of the public expenditure for education, health, direct transfers (EST), social security subsidies (pensions), and consumption subsidies (energy). Percentage participation in the expenditure by population deciles ordered by income before cash transfers



Source: Scott, John calculations based in the ENIGH 2010 and the Public Account 2010.

7. 7. For the purpose of this analysis it is possible to define the area of the social expenditure in several ways. If we draw from a definition that encompasses the public expenditure for education, health and direct cash transfers, this expenditure results all together moderately progressive or pro-poor in absolute terms (graph 3.6.11). When we add to these categories the public subsidies to the social security pension systems (all the social security expenditure is included in the budget function definition for social development) and the consumption subsidies, the total becomes moderately regressive in absolute terms: the participation of the poorest deciles deceases from 13 to 10 percent, while the richest deciles increases from seven to 11 percent in 2010. Furthermore, it is observed that in 2010 the social expenditure for both approaches has improved its progression in comparison to 2008.

This reflects improvements in the progression and the amounts of health expenditure for open population, the increase in directed transfers (Oportunidades, 70 y Más, PET), and the decrease in energy subsidies in relation to the outstanding expenditure in this sector associated to gas stations in 2008. The proportion of resources allocated as pro-poor went from 32 percent in 2008 to 44 percent in 2010.

Graph 3.6.12. Distribution of the main sectors and programs among low income population to the Minimum Wellbeing Line (MWL) and the Wellbeing Line (WL), as well as the Non-Poor or Vulnerable by Income Population, Mexico, 2010 (percentage participation by population group).



Source: Scott, John calculations based in the ENIGH 2010 including the Social Program Module 2010 and the Public Account 2010.

 Considering the group of categories and programs that integrate this expenditure, the most progressive or pro-poor programs are Piso Firme, Oportunidades, IMSS-Oportunidades, and DICONSA, while the most regressive in absolute terms, or less pro-poor are the social security benefits, particularly the IMSS Childcare Centers and ISSSTE health and pensions (Graph 3.6.12 and graph A III in Annex III). 9. The employment subsidy is regressive in absolute terms, which benefits the workers with lower income among formal workers, and the consumption household subsidies in electricity (domestic), gas and LR gas. The programs for SEDESOL and IMSS Childcare Centers are relevant since they enable an increase in women labor participation (see graph 3.6.12). The IMSS Childcare Center program is regressive in absolute terms, given IMSS low coverage for poorer strata. In the case of SEDESOL Childcare Centers, though it concentrates 70 percent of its benefits in non poor or vulnerable population by income, it results less regressive than the IMSS Childcare Centers are the most progressive instrument of public policies destined for child services. We have to take into consideration that even though these are some of the main instruments aimed to improve the household income and consumption capacity, upon transferring monetary and cash resources to households, these programs contribute to this purpose.

Graph 3.6.13. Percentage participation of the poorest segment quintile (20 percent) in representative social expenditure categories, Mexico 1996-2010



Source: Scott, John calculations based in the ENIGH 2010 and the Public Account 2010.



- 10. In the longer-term perspective (graph 3.6.13), in the last two decades an important change occurred in the general tendencies of the public expenditure progression, which significantly increased from 1996 to 2006 for the main categories (education, health, and directed transfers), except social security. This tendency has been tempered somewhat and in some cases it has been reversed in 2006-2010. The improvement in expenditure equality in 1996-2006 is explained by diverse factors that have led to a reallocation of social expenditure biased towards urban areas and rural and poorer segments of population.
 - a. The creation of better focused directed transfer programs such as Oportunidades (replacing the mainly urban and regressive general and focused food subsidies), PROCAMPO (providing agricultural support via regressive prices), Contribution Fund for Social Infrastructure/Fund for Municipal Social Infrastructure (allocated according to certain measures of municipal poverty in replacement of PRONASOL) and the Temporary Employment Program.
 - b. The expansion of coverage and financing of basic education and health services for uninsured population.
 - c. The improvement in the access to post-basic education services is in large extent a consequence of the improvement in basic services coverage.
- 11. The elements that have limited the continuity of this tendency in 2006-2010, and that suggest the need for a new generation of alterations and instruments for the identification of beneficiaries for the execution of the social expenditure, include:
 - a. The achievement of a complete coverage in basic education, without sufficient improvements in the access to higher and higher secondary education in the lower income segments.
 - b. The growing costs and challenges of effectively focusing when the program coverage increases significantly, and is broaden in urban areas and higher income population (Oportunidades, 70 y Más).
 - c. The increase in basic services financing open all together for the population, inasmuch as the quality and availability increase, can make the demand of higher income strata and access capacity grow, particularly in the recent crisis context and economic recession.



d. The growth in the general consumption subsidies, particularly in fossil fuel consumption.

Given the limited capacity of household surveys (such as ENIGH) to capture adequately the smallest transfer programs or concentrated distributions, it is possible to combine the administrative bases of the programs with census data to estimate the distributive incidence in the population from its geographic distribution. An analysis of the rural expenditure programs, grouped under the Concurrent Special Program. For this, a baseline of the Studies Center for Sustainable Rural Development and Alimentary Sovereignty (2009) that covers the vast majority of the rural expenditure, for a global budget of 104 million pesos in 2007.

For the analysis of this information the municipalities are ordered according to incidence of food poverty estimated by CONEVAL at municipal levels for 2005 and the distribution of benefits of the group of programs reported in the baseline are presented, which are identified by the entity responsible and ordered by participation they received (the municipalities represented) 40 percent of the poorest segments of the population (graph 3.6.14).

This analysis shows the distribution of programs, from the allocations of over 80 percent of resources spent by the municipalities to the allocations of close to zero percent within this same population. A distributive pattern by function and entity can be observed. There is a concentration in the higher progression side of programs aimed for indigenous populations of the National Commission for the Development of Indigenous People (CDI), with allocations of 60 to 90 percent of its resources in the poorest municipalities, followed up by the SEDESOL programs, concentrated in a range of 40 to 50 percent. In the opposite side, with allocations of only 10 percent, or entirely absent for this population is the SAGARPA programs and financial programs aimed for agriculture (FIRA, Financiera Rural).



Graph 3.6.14 Distribution of the rural programs among the municipalities with over 40 percent of low income population in comparison with the less impoverished with 40 percent of the population, Mexico



Source: Scott, John calculations based in CEDRSSA information (2009).

*Note: The municipalities are ordered by poverty by rate of income, food poverty in rural areas.



III. Social development policy and indigenous people

The Political Constitution of the United Mexican States recognizes the historical disadvantage of the indigenous communities and establishes the government obligation to mitigate deprivation and gaps with the purpose of improving the living conditions of this population (Article 2).

In Mexico, around seven million people are indigenous;²¹⁶ they are distributed in 28 of the 32 federal entities and are present in 98 percent of the nation's municipalities; in 2010, around 25 percent resided in cities, as minority and inconspicuous population (INEGI, 2011a).

The indigenous population concentrates the highest rates of poverty and exclusion indicators and the most unfavorable in human and poverty development (PNUD, 2010). According to the Poverty Measurements 2010, 79 percent of the indigenous population is in this situation (40 percent in extreme poverty). Furthermore, 64 percent simultaneously presents deprivation in at least three essential social rights opposite to 24 percent of the non indigenous population; only four percent of the indigenous population does not have any deprivation in comparison to 26.5 percent of the non indigenous population.

In 2010, 49 percent of this population group showed an educational gap, while 27 percent of young indigenous people older than 15 years were illiterate,²¹⁷ 13 percent of children between six and 14 years did not attend any school and only 70.5 percent can read and write (the lowest child rates encompassing both rural and urban), while only 1 percent of young indigenous population have access to higher education (CONEVAL, 2011j).

The percentage of grade school attendance is below the national average and there is a risk of delay in the timely completion of this cycle; 60 percent completes this level upon turning 13 years, while 78 percent upon turning 16. In secondary schools the panorama is even more critical since only 38 percent has completed their secondary education upon 16 years of age. It is estimated that around 20 percent of the indigenous population is completely excluded of any kind of education circuit (CONEVAL, 2010a).

²¹⁶ General Census of Population and Housing 2010, basic survey

²¹⁷ There are also several important inter-ethnic gaps concerning illiteracy. Guerrero and Chihuahua are the entities with higher inter-ethnic gaps in this respect. Moreover, concerning gender gaps 51.3 percent of women older than 15 years does not know how to read or write opposite to 28.9 percent of males and 42.2 percent of indigenous women have no schooling whatsoever (CONEVAL.2011: 3).



Combined with the access, permanence and completion problems in educational cycles, the pronounced quality gap is added; the corresponding evaluation displays notably unfavorable results for the indigenous students: in the EXCALE tests, 92 percent of the students with an indigenous mother tongue are located in the lowest levels I and II (52 percent in level I), while the students with a non indigenous mother tongue add up to 71 percent (27 percent in level I, according to INEE, 2010:103).

The education inequality that the indigenous population suffers regarding the national average is expressed in the formal education system access (due to geographical inaccessibility, lack of services, low quality of these and lack of family resources), as well as the literacy and school attendance rates considered by the HDI (CONEVAL, 2011); 2).

The indigenous population situation is equally compelling in other dimensions; 40.5 percent of the population has food deprivation according to the Poverty Measurement 20110, which is reflected in the persistent malnutrition, aggravated by the exclusion and marginalization conditions. The malnutrition in indigenous children doubles the national average; the prevalence of short stature was 20 percent for 2006 and low weight with regard to the age of the seven percent (CONEVAL, 2010b).

In terms of health, malnutrition causes prevalence of anemia that for 2006 affected 27 percent of the population Even though in this category the gap in the national average is lower in comparison to others, there still is a difference in the access to health services of six percent (37 percent opposite to 31 percent) therefore expanding the coverage of the Popular Insurance in the PAA with special emphasis in indigenous communities could be considered as priority (CONEVAL, 2011j: 4).

Concerning social security, only 16.5 percent of indigenous population can access this right. It is necessary to improve the infrastructure and quality of the basic services associated to housing and environment since, generally, the communities of this population lack access routes and basic public services such as water and electricity. According to the Poverty Measurement 2010, 5 percent of the indigenous population suffers from basic housing service deprivation and 42 percent suffers from quality and space issues.

The economic welfare dimension shows that the inequality in income among indigenous and non indigenous communities varies in 36 percent; with a rate of indigenous occupation of only 48 percent, in which 23 percent do not receive income,²¹⁸ and, in turn, 53.5 percent receive income lower than two minimum wages.

Comparatively, the indigenous population obtain 15 percent less income than the general population (CONEVAL, 2011:2); as consequence, the indigenous population has also a household asset gap, given their low acquisition capacity (CONEVAL, 2011 j: 4).

Between 2008 and 2010, despite that in that same period the basic service coverage increased (education, health access, quality and housing service access), the poverty in indigenous communities grew. All the same, this population manifests poverty and basic service coverage levels that differ to those of non indigenous population, which underlines the need to have efficient public policies for this population group.

A) SOCIAL DEVELOPMENT PROGRAM EXPENDITURE IN INDIGENOUS PEOPLE

The social program universe aimed specifically to the resolution of issues and needs of the indigenous population is integrated by 14 programs; the most prominent for the absolute sum of amounts spent are by order of importance: the Basic infrastructure Program for Indigenous People, the Initial and Basic Education Program for Rural and Indigenous Population and the Shelter Programs for Indigenous Schoolchildren. The Basic Education Program for Migrants Boys and Girls of Agricultural Workers is also highlighted. As a group of programs, the expenditure decreased 5.4 percent between 2008 and 2010, but increased 5.7 percent with regard to 2011.

²¹⁸ The distribution of the indigenous occupation by activity sector shows little over than 43 percent is in primary sector, the third part in tertiary sector and only 21 percent in secondary sector (CONEVAL. 2010).



Chart 3.6.4 Expenditure of programs aimed for indigenous population, Mexico, 2008-2011. Million pesos in January, 2011

Programs	2008	2009	2010	2011	Percentage variation 2008- 2011
Shelter Programs for Indigenous Schoolchildren (PAEI)	858.93	820.23	787.81	960.52	11.83
Program for the Promotion of Agreements in Matters of Justice (PPCMJ)	41.50	38.07	37.17	45.32	9.20
Program for the Promotion and Development of Indigenous Cultures (PROFODECI)	46.95	42.80	24.33	54.87	16.87
Alternative Tourism Program in Indigenous Areas (PTAZI)	186.71	179.66	172.87	220.39	18.04
Care Project for Displaced Indigenous People, Urban Indigenous People and Immigrants (PAID)	34.09	74.35	19.63	34.65	1.63
Support Program for Indigenous Communication Projects (APCI)	2.81	2.66	4.10	9.01	220.49
Initial and Basic Education Program for Rural and Indigenous Population	2,823.87	2,913.27	2,573.89	2,718.03	-3.75
Basic Education Program for Migrants Boys and Girls of Agricultural Workers (PRONIM)	63.26	74.54	102.01	157.08	148.33
Pedagogical Technical Advisor Program (PATP)	97.72	107.89	103.93	102.37	4.76
Indigenous Regional Funds Program (PFRI)	321.83	252.01	257.13	343.34	6.68
Productive Organization Program for Indigenous Women (POPMI)	205.56	224.22	261.47	461.05	124.29
Coordination Program for the Support to Indigenous Production (PROCAPI)	125.28	152.12	148.20	256.91	105.07
Basic Infrastructure Program for the Indigenous People (PIBAI)	4,551.23	3,738.32	4,352.35	4,474.79	-1.68
Management and Conservation of Natural Resources in Indigenous Areas	0.00	10.83	10.31	58.35	438.78
Total	9,359.74	8,630.95	8,855.18	9,896.68	5.74

Source: CONEVAL Inventory 2008-2009-2010.

Note: For the Management and Preservation Program for Natural Resources at Indigenous Areas the percentage variation is 2009-2011



B) RESULTS OF THE SOCIAL DEVELOPMENT PROGRAM EXPENDITURE IN INDIGENOUS PEOPLE

Among the strengths of the programs, the detonation development actions designed to dialog with a culturally diverse and socially excluded population that are articulated in organizations with different management and public call capacity stand out. The programs contribute to the equality and social justice policies and, on the other hand, address priority and urgent issues of the indigenous communities.

Moreover, it is worth mentioning the following achievements:

- The Initial and Basic Education Program for Rural and Indigenous Population
 presents improvements in the coverage among the most deprived entities,
 increase in education achievements in the score of ENLACE assessments
 (since 38.4 percent of schools improved their scores), and an increase in the
 percentage of students with basic achievements, even though the goal is
 not very significant.²¹⁹ However, it is not possible to attribute these results
 exclusively to the program (CONEVAL, 2011 b).
- The percentage of children that participate in the Shelter Programs for Indigenous Schoolchildren that completed the school year in 2010 in regards to other indigenous education services. Even so, it is important to analyze the effect in children upon separating them from their families.
- The Care Project for Displaced Indigenous People, Urban Indigenous People and Immigrants contributes to reduce the vulnerability in the displaced population in a context without specific federal or state legislation for the attention to this problematic.

²¹⁹ The Spanish and Math results among indigenous population in this assessment has improved between 2006 and 2009, but is still lower than the national average and much lower than the education offering.



IV. Consolidation of the Monitoring and Evaluation System: use of CONEVAL information

A) INSTITUTIONALIZATION OF THE ASSESSMENT PROCESS

A country that wants to consolidate its democracy must improve its transparency and accountability. In the last decade this has not happened in Mexico. The demand of the Union Congress for the existence of transparent mechanisms for the measurement of poverty and objective evaluation of the federal public policies has translated into valuable information that wasn't available before.

The poverty measurement and external evaluations nationwide must be part of planning processes and decision making in public policies.

As part of the actions that were carried out, the following can be summarized:

- The 273 social development Programs and Actions have an indicator matrix that enables a common language to comprehend the causal logic of the interventions in regards of the problematic attention for which they were created for.
- A link between the social development Programs and Actions and the national priorities defined in the National Development Plan was established through the elaboration of sector and institution objectives of the entities and offices pertaining to the Federal Public Administration (FPA). An opportunity area is to improve the indicators corresponding to those objectives to measure with more precision the improvements in the achievement of the sector objectives, as well as the results achieved.
- The matrices and the linkage with sector or strategic objectives enable to improve the analysis and the coordination of the programs and actions and, potentially, reduce the dispersion between ministries and government levels.
- Since 2008, more than 130 social programs have been evaluated annually with a homogeneous methodology that allows, despite the particularities of the programs, to make comparisons.
- In addition to the evaluations established in the Annual Evaluation Program, since 2008 the number of evaluations that the people responsible for such programs consider necessary for decision making or program improvement have increased.
- To promote a management culture based in results, public federal, state and municipal officers have received training.
- Since 2008 the program, actions and social development policies evaluation reports and the commitments to improve them have been published in the CONEVAL website and the offices responsible, as well as the Official Journal of the Federation.

The information derived from the evaluations and the poverty measurement is increasingly used by the Executive and Legislative authorities for decision making, even though it is not very systematic.

B) FOLLOW UP OF EXTERNAL EVALUATION RECOMMENDATIONS

For the purpose to make possible the use of external evaluation recommendations to improve the programs and policies, since 2008 the SHCR, SFP and CONEVAL issue the Mechanism for the Follow-up of Susceptible Aspects for the Improvement of Federal Programs, in which the offices commit to conduct concrete actions. This is a step towards making the evaluations into a factor for positive change in public policies.

Through the follow up of recommendations derived from external evaluations, the participation of 15 offices and entities of the Federal Public Administration was achieved and which jointly selected over 2,000 specific susceptible aspects of improvement in evaluations conducted to 150 programs.

There are aspects that in order to improve need the intervention of several offices and state and municipal governments; the former are referred to as intersecretarial and the latter as inter-governmental. CONEVAL has made available to the national and inter-secretarial social development commissions the group of aspects in which their participation is required to improve the federal social programs, with the purpose of carrying out concrete actions; however, the state governments do not participate much.

Every year, the group of evaluations of the social programs and the Follow-up Report of Susceptible Aspects of Improvement for Federal Programs is sent to the Congress, as well as national and inter-secretarial commissions of social development. Additionally, the actions that the offices and entities commit to conduct to improve the programs are published in the CONEVAL website.



C) CONEVAL'S INFORMATION USAGE

In order to provide synthetic and integral Information contributing to the budgetary process, CONEVAL has put available to the Executive and Legislative powers, and to the citizenship in general, the assessments to programs, policies and actions for social development, as well as information that shows the progress made and the challenges of social policy.

In this sense, the Social Development Budgetary Considerations 2012, integrating the main social problems, as well as the information about the social development federal programs linked to them. Similarly CONEVAL Inventory was made available, the Specific Performance Evaluation 2010-2011, the Narrative Records, Programs Development Assessment, Integral Assessment and Strategic Assessment, which jointly are indispensable to make decisions, accountability and transparency. Figure 3.1.1 describes the information contained in each tool.

In synthesis, during the last years the institutionalization process On the institutionalization of the monitoring and evaluation of social development policy has been deepened, with the following results:

- An increasing orientation to results of the federal Programs and Actions in social development.
- Increase in measurement disposition and efforts of social programs results of the Federal Government.
- Use of Information generated by assessments to establish compromises improving social programs.

Finally, although there are several federal entities that have initiated processes of assessment such as the Federal District, the State of Mexico, Chiapas, Yucatan and Jalisco, among others, it is necessary a much greater progress of local governments in the process of evaluation and transparency similar to that of the Federal Government.

Figure 3.1.1 CONEVAL tools synthetic description

Budgetary Considerations	Integration of priorities and challenges of the social development problematic
CONEVAL Inventory for Federal Social Development Programs and Associations	Tool that allows systematizing and getting to know the characteristics of the programs and actions for social development, to identify the universe of federal social interventions
Specific Performance Evaluation (EED)	Social programs performance synthesis that are presented using a consistent format with the information of the Performance Evaluation System
Narrative Index Cards	Synthetic valuation, in a page, the results, relevant findings, advances in indicators, coverage, strengths and challenges of each program on the basis of the Specific Performance Evaluation 2010-2011
Programs Development Assessment	Database containing an assessment category of 133 social programs on subjects such as results of the Specific Performance Evaluation 2010-2011, distributive incidence, compliance and budget observations
Comprehensive Assessments	Assessments providing a general analysis of 19 thematic programs that serve a common problem and allow users to interpret the results in a broader context
Strategic assessments	Branch 33 and Nutritional Safety Dimensions. Analysis of the federal contributions to state governments and municipalities, as well as the determinants of nutritional security

Taking into account the provisions of Article 72 of the General Law of Social Development in respect of the review of federal actions programs and social development programs should look to add to it, edit, modify, redirect and even suspend partially or totally, aspects Susceptible of improvement (ASM) - have been linked to this classification in order to measure the contribution of aspects in improving programs.

In this regard, the following tables present the classification developed by the ASM CONEVAL 100 percent completed in 2011-2012.²²⁰

From the classification of the ASM, these tables present the changes in the social development program policy²²¹ and all of the ASM 100 percent reported in September 2011 and March 2012.

²²¹ Where programs are considered only once (prioritizing those issues classified suspend the program which is most relevant to add or relocate the program etc).

Changes in social development program policy, Mexico, 2011-2012

Kind of improvement	Programs	Relative participation
Correct activities or program process	35	47
Modify program supports	10	14
Substantially redirect the program	26	35
Add or relocate the program	3	4
Discontinue the program	0	0
Total	74	100

* With SSAS information. For computing ASM 100 percent concluded and reported in September 2011 and March 2012 were considered.

 $^{^{\}rm 220}$ To carry out such a classification, the characteristics of each ASM completed at the 100 percent were analyzed using the following categories: a) correct activities or processes of the program: refers to those aspects related to the activities of the MIR of the program, such as improvements in their indicators, non-substantive changes in its rules of operation, improvements in operational processes, signing agreements, budget years, among others; b) modify benefits from the program: refers to those aspects related to the components of the MIR program, that is to say, modifications or improvements in the goods or services that it provides; c) the substantial reorientation program: refers to those aspects with the purpose of the program, such as actions related to The strategic planning, with targeting, with improvements in the definition of your target population, or with the implementation of impact evaluations, among others; d) add or relocate the program: refers to those aspects that are looking to strengthen the program through the generation of synergies with other or even the integration of two or more programs into one, as well as actions to which the program is operated by another unit, entity or unit responsible; and (e) to suspend the program: refers to those aspects that result in the partial or total suspension of the program.

D) TRANSPARENCY AND ASSESSMENT IN LOCAL GOVERNMENTS

CONEVAL carried out a progress diagnostic in monitoring and assessing the federal entities in 2011. The legislation and the exercises carried out by the federal entities were analyzed in the following topics: a) existence of a law of social development or equivalent; (b) criteria for the creation of state programs; (c) register of beneficiaries and rules of operation; (d) dissemination of general information and the budget of the programs; (e) rules on monitoring and evaluation; (f) evaluations, diagnostics, and monitoring of performance indicators and management; as well as g) the existence and independence of the responsible area for performing / coordinate the assessment in the state.

The analysis is carried out of the progress in monitoring and evaluation on the basis of the information available in each federal entity for each of the topics considered.

The main results are the following:

- The federal entities with the greatest advance in the field of monitoring and evaluation were Federal District, State of Mexico and Nuevo Leon.
- The entities with fewer advances were Baja California Sur. Tlaxcala, Morelos and Sinaloa.
- In total, 16 federal entities presented an overall progress higher than the average and 10 have a greater degree of progress to 50 percent.
- In Component 1 "The must be in monitoring and assessment", the federal entities with greater advance were State of Mexico, Federal District and Guerrero.
- In Component 2 "Monitoring and evaluation practice", the federal entities with greater advance were the Federal District, Oaxaca, Jalisco, Nuevo Leon.



Some advances detected were:

- In all federal entities information is detected for the dissemination of the social programs and the budget that is allocated to these, although with differentiated advances. The Federal District and Oaxaca are the entities with more regulations and practice in the dissemination of information about the programs of social development.
- The Federal District and Oaxaca are the entities with more regulations and practice in the dissemination of information about the social development programs.
- The majority of federal entities have included in their local regulations the obligation of assessing policies and/or state programs for social development.
- For 26 federal entities information is detected that a follow-up is performed to results indicators.
- For 16 federal entities a Law of Social Development (LDS) or its equivalent has been identified that considers aspects on the identification of target population, budget, programs for social development state, evaluation of social policy, etc.
- The entities that identified regulations for the creation of state programs for social development (new programs) are the Federal District, Aguascalientes, State of Mexico, Nuevo Leon, Tamaulipas, Guerrero, Quintana Roo and Sonora.

Type of improvement	Actions accomplished	Relative participation
Correct activities or program process	163	71
Modify program supports	27	12
Substantially redirect the program	35	15
Add or relocate the program	3	1
Discontinue the program	0	0
Total	228	100

Actions to improve the social development programs, Mexico, 2011 -2012

* With SSAS information. For the calculation the ASM concluded the 100 percent reported in September 2011 and March 2012 were considered

** Calculation includes two programs that accomplished the commitments, although these do not operate in 2012.

- The entities where there was more progress in the creation of a census of beneficiaries, both in the normative part and in practice, are the Federal District, Mexico State, Campeche, Sonora. Also, the states with the highest advance only in the component of beneficiaries' census implementation are: Guanajuato, the Federal District and Nayarit.
- The entities that identified more advance in the elaboration of operation rules or equivalent, in the normative part and in practice, are the Federal District, Guanajuato and Michoacan.

The identified opportunity areas are the following:

- The information disclosed in the state programs for social development as well as the exercises of operation rules and census of beneficiaries detected are not homogeneous with regard to accessibility, content, structure, presentation format and level of disaggregation.
- The federal entities have rules and exercises have been conducted in the area of monitoring and evaluation. However, the evaluation exercises detected are isolated cases, are not systematized or are prior to 2011.
- In the majority of federal entities, there is no regulation to create new programs, allowing the current problems to be generated in programs of new creation.
- In the majority of the federal entities, there is very little rules to follow for the results of evaluations and their implementation; in addition to that, with the exception of the Federal District, is not identified a planning in the field of evaluation.

It should be noted that having normative elements, the development and dissemination of specific instruments and the training of public servants in the federal entities, in themselves an advance for generation of institutional capacity in monitoring and assessment in the federal entities. On the other hand, requires a greater demand of the Legislature to the Executive Branch that compliance with the legislation on monitoring and assessment favors the realization of exercises on the subject.





Chapter IV Conclusions and recommendations on social development policy



Chapter IV Conclusions and recommendations on social development policy

I. Conclusions

In the first two chapters of the Evaluation Report of the Social Development Policy 2012 economic and social data is presented to analyze the evolution of the social development in Mexico in the short and long term.

On the basis of the problems identified in chapter III, a diagnosis of the Federal Government's response to meet the same is presented. The analysis is carried out in accordance with the dimensions set forth in the General Law of Social Development for the measurement of poverty. Additionally, it identifies strengths and challenges of social development policy relating to the multiplicity of programs, the incidence and distributive institutionalization of the monitoring and evaluation of federal social programs.

Based on the above, the following conclusions are provided:

- The Mexican families purchasing power of labor income were affected by at least two economic events: a) the increase in food prices and b) the financial crisis that negatively affected the country's labor market. The lack of long-term economic growth has also influenced the performance of wages, jobs and income. A reduction in the purchasing power of income has a major impact on the social development of the population, especially on poverty.
- Population living in poverty increased to 46.2 percent in 2010, which represented 52 million individuals. In comparison with 2008, it grew by 3.2 million individuals. However, the average number of deficiencies in the population in poverty decreased slightly from 2.7 to 2.5 and extreme poverty did not increase.
- Poverty did not extend in the same magnitude that the reduction to the Gross Domestic Product in 2009, due to the fact that this period (2008-2010) the basic coverage of education, access to health services, quality and spaces of the dwelling, basic services in dwelling and social security, particularly the coverage of the elderly increased, factors that constitute part of the poverty measurement.



The efforts of the social development policy have contributed to a greater coverage of basic services for the population.

- The increase in the number of people living in poverty was associated with the growth of the population lacking of access to food, which increased by 4.2 million between 2008 and 2010, as well as the reduction of actual household income, especially in urban areas. This is reflected in the expansion in the number of people with lower incomes, both to the wellbeing line and to the minimum welfare line (4.8 million people with an income of less than the first line, as well as 3.4 million people with an income of less than the second).
- The effect of this financial crisis has been higher in the urban areas of the country, being more exposed to international markets, especially North American. This is reflected in the poverty increase in entities of the north of the country.
- In terms of social cohesion, the reason for the total income between the tenth and the first deciles decreased from 27.3 to 25.2.
- With regard to vulnerable groups, 45.7 percent of elders were in condition of poverty in 2010, or 0.7 percent more than in 2008. Between 2008 and 2010, poverty and extreme poverty of children and adolescents under 18 years-old it did not increase.
- On its behalf, 77.8 percent of those who reside in the areas of priority attention (ZAP) are found in conditions of poverty, which corresponds to 13.6 million people, a 2.5 percent increase over 2008.
- The proportion of indigenous people in poverty condition amounted to 79.3 percent in 2010, a 3.4 percent more than in 2008.

A) SOCIAL PROTECTION

• Currently, the social protection is broader than that of a few years ago, due to increased coverage of social programs, in particular the affiliation to the Popular Health Insurance with an emphasis on the poorest population. In addition, in the last five years health spending as a percentage of GDP has been a continuous increase.



 However, the current social protection -understood as the set of public policy interventions which seeks to influence the management of risks that affect the level of consumption of the population during its life cycle - is not integrated and design issues at the global level that are reflected in these general features:

a) Social development policies are not associated to rights.

b) Do not benefit all Mexicans.

Level of access and quality of the programs is uneven in horizontal terms (delivered benefits to different individuals with similar risks) and vertical (a proportion of social expenditure is exercised by means of regressive instruments in absolute terms to the detriment of progressive or neutral instruments).

d) Both coordination and complementarily among entities and dependencies to benefit the population vulnerable and in poverty, is weak

e) There are no efficient instruments for the vulnerable people living in urban areas and which also could be activated against unexpected crisis.

- It is possible to group in four dimensions some of the major risks that affect or injure consumption of people throughout their lives, and that must be the object of a Social Protection System in Mexico. The first dimension refers to the lack of access to health services, which, in addition to affecting the conditions of health of individuals, has an impact on a pocket expense. Another dimension is associated with the work, in which affect the income of the households, the unemployment, underemployment, the postpartum license period and not having stays or nurseries for children that enable them to work. The third dimension refers to orphanhood pensions, the permanent or temporary disability, widowhood and the old age. Finally, analyzes the fourth dimension, that of the insufficient income or less to the line of economic welfare.
- Access to health services. Mexican health system had important achievements between 2006 and 2011. Among these the following can be emphasized:
- a) The total expenditure inn health of the Federal Government grew 34 percent between 2006 and 2012, as it increased from 314,409.1 million to 421,682.7 million pesos.



b) Affiliation to the Popular Health Insurance and Medical Insurance for a new generation grew markedly in recent years. Population enrolled in the first one increased from 15.7 million people in 2006 to 51.8 million in 2011, while for the second one it passed from 819,410 enrolled people in 2007 to 5,783,114 enrolled people, between 2007 and 2011. This represents a first step towards universalization of health-care.

c) The largest proportions of the population of the lower-income deciles are affiliates of the Popular Insurance.

d) Population deprived of access to health, according to CONEVAL's multidimensional poverty measurement, reduced in nine percentage points: from 40.8 percent in 2008 to 31.8 percent in 2010.

- The data reflect the health needs of a population whose mortality profile was transformed from a dominance of transmissible diseases to one in which most of the deaths are associated with non-transmissible diseases and being in a rapidly aging process (the proportion of people 65 years or more is increasing in the total population).
- Organization of Health Sector is complex and fragmented. This has implications in the installed capacity of attention and in the care of the population that must be addressed. Other deviations are reflected in the information systems that, in spite of the fact that 35.8 billion lack access to health, recorded a sum of those affiliated to the institutions of public health higher than the total population of the country. In addition, the segmentation between complex subsystems makes the exercise of stewardship by the Ministry of Health.
- Although the health expenditure increased in recent years, there are notable differences in per capita spending between the population with access to social security and those who do not have this. A relevant element of expenditure in health is the expenditure in medicines. In 2009, public expenditure represented 27.1 percent of the total expenditure in this area, while private expenditure was of 78.8 percent.
- In terms of content, quality and extension, the package of benefits between health institutions is differentiated to the detriment of those who do not have access to a social security institution.



Evaluation of social development policy

- Labor. If contrasted with the countries of the Organization for Economic Cooperation and Development (OECD), the unemployment rate in Mexico appears to be low. This is because such rate does not register with accuracy the high rotation or to the people that enter and leave the market frequently. An option to better appreciate the level of unemployment are the alternative measures, such as the rate of partial employment and unemployment (known as TOPD1) or the critical conditions of occupation (TCCO) (INEGI, 2011 b). Mexico is one of the OECD member countries and of Latin America without unemployment insurance.
- The programs attention capacity in support of the employment is insufficient (about 500,000 people assisted in 2011, for example) to help reduce the level of unemployment (2.6 million) and underemployment (3.9 million) of the country. Mexico is one of the OECD countries that spend less in this subject.
- The economic participation of women has increased in the course of the last few decades. Although the supply of child care services is diverse (IMSS, ISSSTE, BE SNDIF, SEDESOL), it is still insufficient in terms of harmonizing the schedules of attention with the employment and access by women of scarce resources.
- In addition, the hours of basic education institutions do not allow harmonizing children education and the full-time job of the parents.
- Pensions. Old age pensions are a problem of multiple taxations; this is that the workers have to pay contributions in several pension systems simultaneously depending on the place where they work.
- There are barriers to portability of old-age pensions that causes people to limit their mobility between jobs and that the units pay on costs because the insured may lie in abusive behaviors to obtain benefits.
- The old age pension scheme generates horizontal inequality, because, depending on features quotas as the place of residence, workers with similar characteristics are accessing different benefits packages (70 and more against the pension for the elderly of the Federal District, for example).

- Insufficient income. The crisis of 2009 was most intense in urban areas than in rural areas. Extreme poverty remained at the same levels of 2008 and 2010. The expansion of the Oportunidades program protected more families, but by its design this is not a suitable program to deal with circumstantial economic crisis. The increase in the transfer amount and the diversification of its concepts ("energetic", "Live Better") was attracted especially by the rural poor, which were not the most affected by the crisis. The budget increase of Temporary Employment Program (PET) and its extension to urban areas is a more efficient response to this type of crisis, but the amount for program was insufficient. Except for the PET, none of the transfer programs directed respond to economic losses in the ability to generate household income, but in the individuals' capabilities development to contribute to the intergenerational cycle of poverty breakdown.
- It is necessary to consider that if the current instruments of social protection are not the most effective and efficient to cover the risks that decrease the households' income, it is necessary to design and carry out new policies and programs that protect integrally individuals and their homes, while ensuring access, financial sustainability and coordination so that there is a network that promotes the consumption level resilience.
- It is time for the multiple instruments to operate as a single system that would enable to offer comprehensive social protection to the entire population, but primarily to the poor and vulnerable.

B) ECONOMIC WELFARE

The complex panorama of the labor market programs face and federal actions of economic welfare is characterized by a) low unemployment rates but higher than those recorded a decade earlier and that at the beginning of the past six years; b) employment with high turnover, lack of unemployment insurance, low wages and high percentage of employed population without access to health institutions; c) low labor productivity; d) sharp decrease in agricultural employment with insufficient creation of jobs in the agro-export sector; e) in the rural sector there is, on the one hand,



a small number of large companies dedicated mainly to exports that are very profitable and, on the other hand, a large number of small producers who lack of competitiveness and liquidity; f) micro-enterprises with low capacity to generate jobs, without sufficient commercial credit, with very little training and labor based primarily on the labor force in the household, and g) insufficient international competitiveness.

- Programs and actions that the Federal Government has orchestrated attempt to increase and retain employment, support producers and entrepreneurs, as well as enterprise development, among other areas.
- Little more than one out of every 10 pesos from the economic development functional group was assigned to social development programs that promote economic welfare and income generation in Mexican households. Some of the programs that were very favored in budgetary terms in 2008-2010 were the Risk Management and Prevention Program, PROCAMPO, the Support Program for Equipment and Infrastructure Investment, the Childcare Services, the Productive Organization Program for Indigenous Women, the Care Program for Situations of Labor Contingency and the Coordination Program for the Support to Indigenous Production.
- While certain programs have shown results, in the general terms, the impact
 of social development programs is modest to reverse the structural changes
 of the labor market. For the above, the sustained increase of the acquisitive
 power of income in the country should come from the improvements in
 economic growth, labor, wages, productivity, investment, and the stability of
 prices (specially food prices), among other variables.
- It is necessary to design a program to reduce the situational effects on the economic welfare and the income (for example, creating unemployment insurance or strengthening those that already exist, as the Temporary Employment Program).

c) EDUCATION

- From 1990-2010 an important reduction took place in the educational gap, particularly in relation to school absenteeism among children between six and 15 years.
- However, the educational gap was reduced to a lower rate between 2008 and 2010, due not only to the fact that the universal basic education coverage is being achieved among boys and girls in ages to assist to this school cycle, but because the elevated educational gap in adult population continues being high.



- In addition, other issues identified in the field of education are the inequality in the quality of basic education; in secondary education and higher education, insufficient coverage, inequalities in access and quality of education; disadvantages for access to education of vulnerable groups, as well as the low level of development of basic and applied research.
- In 2011 four of every 10 pesos in the education function expenditure of the Federal Government went to educational programs, this amount represented 10 percentage points more compared to the expenditure in 2008. The educative actions that the Federal Government favored in budgetary terms in 2008-2011 were Federal Subsidies for decentralized State organisms and subsidiaries for Education Centers (with the highest amounts exercised), as well as Full Time Schools and Digital Skills for All (with more stressed relative growth).
- There is a high rate of programs that have not been subject to evaluations, for this reason results are not known. From the programs evaluated the results of the Full Time Schools stand out.
- Regarding the funds of Branch 33, the analysis of the Contribution Fund for Basic Education and the Contribution Fund for Technological and Adult Education revealed that the distribution formula of resources in the federal entities does not promote enough the balanced development of the education system in relation to additional variables to the enrollment (as those used in the multidimensional poverty measurement).

D) NUTRITION

- Mexico is in a situation in which population groups with malnutrition, overweight and obesity exist simultaneously; this imposes additional challenges to the attention of the problems of food and nutritional security.
- Additionally, the 2008-2010 juncture had an increase in deprivation of access to food, derived from the economic-financial crisis of 2009, as well as the volatility of food prices since 2007.



A lower level of access to food could affect the population nutrition condition, especially in vulnerable groups.

- Food programs constituted in 2008-2011 being one of the most important interventions of the budgetary role for social welfare, because basically one of each two pesos that the Federal Government spent was destined for food programs. The expenditures made by the programs evaluated increased constantly in 2008-2011.
- Food Support Program was a public policy instrument that had the most stressed relative variation between 2008 and 2011 and that contributed in an important manner to the increase in expenditures asserted. However, in absolute terms the program with the highest expenditure was Oportunidades,
- Despite the budgetary increase for several programs, the increase in deprivation of access to food could not be stopped in 2008 and 2010. Although the programs have had some results in relation to access to food, the negative effect of the income reduction and increase in food prices that the country suffered since 2007 exceeded the effect of the social programs here analyzed.
- The international economic instability that is anticipated for the next years, as well as the constant fluctuation in food prices, could place food issues as a priority for the country in years to come.
- In 2010 the Strategy against Overweight and Obesity was launched, but its impact is still unknown. It is important to evaluate and monitor the actions and results to make the necessary amendments.
- In relation to the funds of Branch 33, the resources per person of the Multiple Contributions Fund, in the social welfare output, do not hold any relation to the population variation with deprivation of access to food in 2008-2011 at state level.



E) DWELLING

- There is a demand of four million new homes, particularly in households with an income lower than two minimum wages.
- Between 2008 and 2010 important improvements in household quality and basic services was observed. Coverage for firm floors, electricity, drainage, drinking water in households has been expanded and overcrowding has been reduced.
- Despite these advances, there are still challenges concerning overcrowding and drinking water in several federal entities. The high percentage of unoccupied dwellings is a very important challenge of the housing sector; this problematic invites reflection on the possible impact of the lack of urban planning and violence.
- Even when the financing programs for housing acquisition are directed to meet the more disadvantaged socio-economic sectors, this intervention is insufficient to recompose the distortion that generates economic dynamics in this sector.
- The standards of housing financed with support of these programs are becoming increasingly smaller: the size of the single family houses today are built in some cases barely 30 square meters (CONAVI, 2010), not to mention that these are often located in areas away from the urban centers and sub centers, thereby creating conditions of habitability complicated (Martinez, 2011).
- For each 10 pesos of the spending in the budgetary function of urbanization, housing and regional development 1.5 pesos went to housing programs in 2011, this amount represented six percentage points more than in 2008, when only one out of every 10 pesos was used for housing.
- The most relevant public policy intervention of the group of housing programs is the Program for Development of Priority Areas
- Regarding the Contribution Fund for Social Infrastructure (FAIS) of Branch 33, it can be concluded that there is a strong association between the resources allocation by federal entity with deprivation of access to basic services in the dwelling.



 State and municipal governments have contributed to the installation of infrastructure for water and drainage with the resources of Branch 33; however, it is necessary to point out that the provision of infrastructure to carry water from the municipality to households is responsibility of local governments, by which it is necessary to establish appropriate mechanisms for coordination between the three orders of government.

CROSS-CUTTING THEMES OF SOCIAL DEVELOPMENT POLICY

- In 2010 there were 273 Programs and Federal Actions for social development and in 2011 there were 272. Between 2004 and 2007 increased by 17 percent the number of programs and 1 percent of its budget. Between 2008 and 2011 the number of instruments of public policy expanded 11 percent and the budget grew by 42 percent, which contributed to have greater dispersion of Programs and Actions.
- Because there is not enough systematized information accessible on programs of local governments, the analysis is reduced to the federal level; this points to the fact that there are large number of programs and actions for social development (recently many of these have been generated) and identifies a large dispersion and a potential lack of coordination between federal agencies. For these reasons, if local governments programs were included the problem would be even greater.
- It is not always clear the reason why social development programs are created year-on-year. Some are created by the Executive Branch, others by the Legislature and other by the federal entities, through the local Legislature, in order to exert greater budget of state governments. Possibly, several of them are created to solve specific problems of the population, but because there are not always clear results in several of these programs, suspicion of a political use is inevitable.
- The incidence analysis of the expenditure only reported the distribution of resources exercised by the programs, not its impact or its effectiveness in improving the welfare of the beneficiary population with these resources. It is important to remember that the program objectives can be many and do not have to be limited to equality. For this reason, the fact that a program is regressive can be justified since it can be addressing other purposes. The distributive incidence valuation of a public policy instrument is conducted exclusively to evaluate the allocation of social benefits in equality terms. For this reason it is necessary to be careful in assessing the public importance of the different instruments of social development based on this analysis.



- Overall, public expenditure on food is highly progressive, education expenditure is moderately progressive, expenditure on health is practically neutral, while public resources exercised in economic welfare and social security (pensions) are regressive in absolute terms.
- Among the most progressive public policy instruments to be mentioned are Oportunidades, IMSS-Oportunidades, Seguro Popular, 70 y Mas, DICONSA, PROCAMPO, Piso Firme and the services of public basic education.
- It is necessary to collect information about more federal and state programs for social development to analyze them in terms of distributive incidence and equity. Knowing the progressivity or regressivity degree of a program is a basic indicator of its impact on equity, as well as a key input to the decisionmaking of public policy.
- Programs for the indigenous population are actions designed to engage in dialog with a culturally diverse population, socially excluded and articulated in organizations with different management capacity and public call. Programs contribute to the policies of equity, social justice, apart from that address priority problem and urgent of indigenous population and communities. Even so, it is necessary to continue moving forward in an effort to measure its impact on the indigenous population.
- The process of monitoring institutionalization and evaluation of the federal social development policy has deepened in recent years, with the following results:
 - a. Increasing results orientation Programs and Federal Actions for social development.
 - b. Increase in measurement disposition and efforts of social programs results of the Federal Government.
 - c. Use of Information generated by assessments to establish compromises improving social programs.
- Finally, although there are several federal entities that have initiated processes of assessment such as the Federal District, the State of Mexico, Chiapas, Yucatan and Jalisco, among others, it is necessary a much greater progress of local governments in the process of evaluation and transparency similar to that of the Federal Government.



II. Recommendations

Based on the analysis in this report, and taking as reference the evaluations carried out to programs and policies for social development between 2008 and 2011, the following recommendations of public policy are formulated below. These are grouped according to the institutional actors responsible for putting them into practice.

A) SPECIAL ATTENTION FROM THE FEDERAL EXECUTIVE, STATES AND MUNICIPALITIES

I. Social Protection

- 1. In the field of the risks associated with access to health, it is recommended to integrate a National System of Health Services in which:
 - a. Ministry of Health stewardship is strengthening.
 - b. Universal care is provided with emphasis on primary care and preventive approach.
 - c. PREVENIMSS, PREVENISSSTE and LINEA DE VIDA (Safe consultation) become integrated into a single program.
 - d. Be funded with general taxes and use the public and private infrastructure
 - e. To be portable in geographical and institutional terms, through the ascription to an initial health unit and eventual freedom of choice, with a single register of recipients and an electronic clinical record.
 - f. That it is integrated functionally, allowing the convergence through:
 - Homologation of health benefits offered today by social security.
 - Medications policy that ensures timely supply in the establishments.

- Training of human resources planned to respond to the needs of health.
- 2. For the attention of scattered populations health services:
 - a. Provide basic resources for primary care.
 - b. Use of innovative technologies for communication and medical assistance (remote monitoring, tele diagnosis).
 - c. Integrate all health services programs currently in operation in rural areas.
 - d. Training of health personnel (auxiliary promoter of health and community).
 - e. Incentives to the health personnel for their permanence.
- 3. Strengthen the definition of indicators and automated production of intraining for evaluation and decision-making.
- 4. In Puebla, Oaxaca, Guerrero, Michoacan, Veracruz and Chiapas the deprivation in access to health care in 2010 were greater than 36 percent; emphasizes the first with 41.8 percent. In these states is located the highest percentage of indigenous population, which is the least access. It is recommended to accelerate the universal coverage Popular Insurance in these entities, with an adequate supply of quality services and medications, as well as in the entire municipalities that belong to areas of priority attention (with emphasis in indigenous communities).
- 5. It is suggested in the medium term to accelerate the possibility to consolidate the state health systems, which are now isolated in spite of the convention 32x32; among other things, this will enable to respond to the internal migrant population.
- 6. Clear out even more the end-use of resources allocated to the federal entities via the Seguro Popular, the Trust Fund to the Health Services of Branch 33 and funds from the Branch 12, and its consistency with the needs and demands of health of the population.
- 7. It is necessary to have accountability health expenditures effective mechanisms in all orders of government.



It is appropriate to establish strategies that will help the population registered in the Seguro Popular recognize with clarity that they have the right, which shall cause an effective coverage of health services. Also, it is recommended to improve the processes of accreditation and monitoring of clinics in the states.

- 8. It is recommended to strengthen the attention of first level in federal entities.
- 9. Meet the target of the Millennium Development Goal on maternal mortality should be a priority of the State. Therefore, the coverage of the obstetric care services must be expanded and promote strategies for early identification and timely attention to emergencies in this area, especially in the ethnic areas, where there is a high proportion of maternal mortality
- 10. With reference to the previous point, it is recommended to implement and strengthen strategies for the actual elimination of barriers to access to health services, for example, those relating to transport and communication in marginalized areas.
- 11. In addition, it is important to have trained staff to provide adequate care for pregnant women and to deal with possible complications during pregnancy, childbirth and the puerperium. It is recommended that you strengthen the qualified personnel in Puebla and the State of Mexico, where less than 70 percent of births occurring in 2009 were skilled care.
- 12. It is recommended that you reinforce the diagrams of preventive health; these should be a priority not only to reduce the morbidity, but to avoid future costs curative.
- In terms of income generation, it is recommended to develop contributing unemployment insurance which do not affect the retirement pensions, considering at least two models: system of distribution and individual accounts systems.
- 14. Analyze the feasibility of eliminating the compensation.
- 15. Despite the low rate of unemployment in Mexico, a problem identified in the generation of income is the characteristics of employment. It is suggested to strengthen active employment policies (training, labor exchange, support for transfers), considering the following elements:

- Personalized attention, which is why it is suggested to analyze the feasibility of increasing the budget for programs (Employment Support Program and Program for Attention to Labor Contingency Situations (PASCL).
- b. The expansion of programs considering the differences in unemployment and underemployment in the rural and urban areas.
- 16. Greater coordination between the programs of active policies and scholarships for studies in higher education.
- 17. Strengthen the Temporary Employment Program as a support mechanism for the seasonal periods, contingency and natural labor.
- 18. Strengthen the coordination schemes of public programs for childcare, which support the labor force participation of women and deepen in the study of factors that contribute to early child development in order to improve its implementation under a scheme of social protection system.
- 19. In terms of the risks associated with aging, it is recommended to ensure an elders pension for the population. It is necessary to analyze these elements in the definition of the design of the pension:
 - a. Universal, thus it is suggested no to be contributive.
 - b. Financially sustainable, it is suggested a prepayment system.
 - c. Co-responsible, it is suggested that consideration be given at least to a tax registration, and, if possible, preventive actions or occupational health.
- 20. In what corresponds to the risks associated with the disabilities, it is recommended to improve the definition and identification of disability that will help to improve the pension of work risks and disability.
- 21. Analyze the mechanisms of transition between pensions of holders and their beneficiaries.
- 22. The access to social security represents the most staggered social right within those included in poverty measurement, with 60.7 percent of the population without access in 2010. This problem is explained by the access barrier imposed by the financing of social security contributions by means of worker-employer, which exclude of the lower income workers and increased vulnerability.



A comprehensive solution to this problem must contemplate the modification of the current scheme of financing social security to achieve universal coverage.

- 23. With regard to the program 70 y Mas, it is recommended to provide the population with more information that has the right about the programs and the social network, strengthen the interaction between managers and those who receive the supports, as well as to strengthen the knowledge of the mechanisms for the submission of complaints and denounces.
- 24. In the field of the risks associated with the income, it is recommended to improve the efficiency of public spending, through coordination, alignment, and elimination of social programs of the three orders of government.
- 25. Analyze different options to ensure a minimum floor of income to the population to decrease or prevent its vulnerability. At least, these options should be discussed:
 - a. Expansion of the existing programs. Give attention to the poor population living in scattered communities and of difficult access and are not now serviced by social programs, through the definition of a new strategy in the framework of the existing programs.
 - b. Citizenship basic rent. Money Transfer to the entire population as a strategy of non-exclusion of the poor population.
 - c. Solidarity minimum floor. Money Transfer to the entire population as a strategy of non-exclusion of the poor population that cannot be accepted and transferred to vulnerable groups.
 - d. Universal Temporary Employment Program. Payment of a minimum wage percentage in exchange for community activities or infrastructure.
- 26. Analyze the expansion of the Human Development Program Oportunidades in the areas in which there is no offer of medical services, by linking with actions in scattered population.
- 27. Figure 4.1 synthesizes the general recommendation of a system of social protection.



Figure 4.1 General Recommendations of a social protection effective system

Source: prepared by CONEVAL

II. Economic welfare (income purchasing power)

- 28. Budgetary programs are limited in scope to promote employment and improve the income. The steady increase in the purchasing power in the country should come from the improvements in the economic growth, employment, wages, productivity, investment, and the stability of the prices, especially for the food, among other variables in the economy of the country
- 29. It is therefore recommended to locate the programs for the promotion and preservation of employment in the context of broader economic strategies to promote, in addition to employment, productivity and the domestic market, because it is recommended to increase the quantity and quality of jobs on the whole, and not only improve the access of some individuals to jobs by means of individual programs.

Non contributive

Contributive



- 30. Due to the great influence of the US economy on the Mexican economy, it is important to seek various strategies to develop the domestic market, as well as having a more diversified business relationship.
- 31. There is a need to further stimulate the measurement of results on the part of all budgetary programs. It must be a greater emphasis on those devoted to conservation and generation of employment, support for producers, support for financing and micro-enterprises, for clearly know if these instruments meet the economic purpose for which they were created. Evolution of the labor market has a direct impact on the measurement of poverty through the income. Reduction of poverty by income will result in good measure of the improvements in the labor market.
- 32. It is still limited the participation of poor people in the main productive programs and employment, in spite of this being the facing greater barriers to be inserted in the productive processes and marketing. To improve the access of poor rural households and more vulnerable to the productive programs and employment are suggested: a) directing resources to existing programs with the highest incidence over poor populations (with potential productive); b) to review the rules of operation and instruments of identification of beneficiaries of the programs, and c) to create new tools designed to increase the productive capacities of small producers with a greater degree of poverty and vulnerability, particularly those related to the marketing, therefore, the programs directed to this important population manifest failures.
- 33. PROCAMPO shows a significant time lag between its voter list, and the producers of the country; even with new rules, is a program that benefits proportionately more to the largest producers. On the other hand, the outputs tested in order to promote investment and enhance productivity have not shown satisfactory results and, therefore, cannot be expanded. It is convenient to think again on the strategy of promoting agricultural production, in order to emphasize the promotion of productive small producers.
- 34. It is necessary to ensure that the new limits to the tax subsidies for PROCAMPO does not operate against indigenous "ejidos" and communities, which can appear in the register under a single name and might be confused with large properties.
- 35. The impact evaluations of the Childcare Centers Program shows that following the program there was a marked increase in employment and hours worked by women with children in urban areas It is recommended to analyze the feasibility of strengthening this program, taking care of the quality and oversight of each of childcare center.

- 36. The Federal Government has several programs granting micro-credit, which have not shown to be a clear solution to improve the occupation and income of the population, therefore it is recommended to transform and generate designs that can make them more effective. It is suggested to strengthen particularly the marketing of the products, otherwise, the productive options are not sustainable.
- 37. The Program for Promotion of Employment granted to workers from 1 to 2.5 wages for a maximum period of three months in the event that they had not yet recovered their employment. It is suggested to strengthen this juncture of low growth.
- 38. In general terms, the available evidence shows that the programs in support of the employment (including self-employment) and supports existing productive are not arriving to poor and most vulnerable households.
- 39. Productive supports directed to the field have a significant potential to strengthen the incomes of the rural poor, since, according to official sources, in 2011 accounted for close to 175 billion pesos (Special Program Concurrent, excluding spending on social programs), a level that puts Mexico among the countries with the highest budget in the agricultural sector in Latin America (measured as a proportion of total public spending and of agricultural GDP). However, these resources are concentrated in programs that favor mainly to large producers and the northern states, excluding largely to poor agricultural producers and indigenous, small and medium, facing conditions of greatest vulnerability and lack of access to productive inputs that enable them to develop an adequate capacity to generate income in the rural sector.
- 40. The rural social spending programs as Oportunidades effectively directed to poor rural households, but the absence of support of productive programs and employment limits its ability to improve their income in a sustainable way.
- 41. To improve the access of poor rural households and more vulnerable to the productive programs and employment, it is suggested:
 - a. Directing resources to programs with the highest incidence over poor populations.



- b. Review the rules of operation and identification tools benefit from the existing instruments.
- c. Create new instruments designed to enhance productive capacities of poor producers, particularly with regard to marketing, as it is here where the productive programs for the poor (CGAP) have had major shortcomings.
- 42. Sometimes it is desired that by the social programs poverty could be reduced, but these are limited in scope. Will not be possible to reduce poverty without a greater economic growth, an increase of the productivity, generating more jobs and growth of real wages.
- 43. Based on the results of the evaluations, it is recommended that you strengthen the programs of Day Care Centers (with special attention to the safety of children and to unify criteria between the diagrams of public childcare centers) and Promotion of Employment.
- 44. Poverty was recently increased by an economic problem (reduction in real income, jobs are insufficient, low economic growth, increase in food prices) and not for reasons directly attributable to the social development policy. It is suggested that the goal of poverty reduction is not in charge of a single secretariat (in this case SEDESOL), but that is the joint responsibility of economic and social enclosures. Virtually all the secretariats should have as a primary objective the reduction of poverty helping to improve the quality of life of the population and promote the compliance of their rights.
- 45. It is therefore recommended that you locate the programs for the promotion and conservation of the employment in the context of broader economic strategies that promote employment, productivity and the domestic market to increase the quantity and quality of jobs and not only improve, through isolated programs, the access of some individuals.

III. Education

46. The levels of the educational gap will be eradicated substantially when this gap is reduced among the adult population (full Primary and Secondary for adults); it is recommended to explore more effective schemes to reach this population.

- 47. It is important to address the efforts in Chiapas, Michoacan, Guerrero, Oaxaca and Veracruz, where the deprivation was more than 25 percent in 2010. The reason for the size of the educational gap in these states is due to the high percentages of the population 15 years and older that does not have primary or secondary complete. It is recommended to rebalance the coverage of the adult education programs and programs for overcoming the educational backwardness in such entities, especially in the intercultural areas.
- 48. It is recommended to strengthen the educational scholarships schemes to young people of upper secondary education in urban areas, since it is a vulnerable group faced with the current insecurity. Apart from expanding the resources exercised and coverage of these programs, it is essential to develop effective mechanisms for identification of beneficiaries to reduce inequality in educational and economic opportunities. The available evidence (ENIGH) shows that, with the exception of the Oportunidades grants, the public scholarships are mainly concentrated in middle- and upper-income groups, so they do not contribute to reduce inequities in education or the educational backwardness of the poor more effectively.
- 49. It is also suggested strengthening the Program Full Time Schools, because this strategy can be a solution for the medium and long-term to improve school performance, increase labor force participation of the mother of the family and reduce the leisure time of this age group.
- 50. The programs for the indigenous population as the initial and Basic Education Program for Rural and Indigenous Population (CONAFE) present advances in coverage in the backmost entities and show evidence of increased educational attainment in the score of the tested schools. Participation in the CONAFE as master offers a viable route and well known to the social mobility of indigenous youth in school, so that its positive impact is of two types: in the students and teachers in the community. However, should be reduced even further the gap between the achievements of these schools and the other. In addition, it should be emphasized the strengthening of the bilingual and intercultural basic education of the SER. It is suggested the creation and expansion of bilingual inter-cultural universities for indigenous in the most scattered areas.



- 51. The programs Improvement of Basic Education, the National Program of reading that seeks to contribute to the strengthening of the communicative competence of the students of basic education through the installation and educational use of school libraries and classroom-, the Quality Schools Program which improves school performance through social participation in the decision-making in the schools-, and, finally, the Program of the National System of continuous training and professional development of teachers in Basic Education in Service -, which contributes to the strengthening of the continuous training of the teachers of basic education were designed to help improve the educational achievement. It is suggested that strengthen these programs, but that is effectively measure their results and impact on the quality of education for which there is greater confidence in the fate of this budget.
- 52. Based on the progress made by the National Institute for Educational Assessment and Evaluation (INEE) suggests develop standardized techniques of assessment in higher education and higher education, to improve the quality of education.
- 53. It is recommended that all educational institutions and federal entities should be incorporated into the evaluation system link, to signify more the educational system.
- 54. The quality of the services are still represents an enormous challenge to ensure access, especially in health and education. It is important that the federal entities do the work that them corresponds to improve the quality of education (and health), because this task is shared between the different orders of government.
- 55. With respect to the quality of the services, it is recommended to strengthen the participation of parents and mothers in the identification of deficiencies faced by the schools and in the search for solutions together with the relevant authorities.

IV. Nutrition

56. Launched in 2010, the strategy against overweight and obesity expected actions undertaken by various secretariats and the participation of the private initiative. The Ministry of Health changed the contents of the school breakfast provided by the State Systems for the Integral Development of the Family. In addition, the Program Five Steps (physical activation, measurement of weight and waist, and control of food intake, promoting the consumption of plain water, fruits and vegetables, and socialization of new health practices).



It will be useful to follow up this program and to promote the impact evaluations.

- 57. It is suggested to analyze the subsidies and supports food and nutrition regard of the calorie content of foods in urban populations whose income is greater than the population in extreme poverty, where the main risk is overweight, not malnutrition.
- 58. 58. Faced with the volatility of food prices, it is necessary to reinforce the actions to improve access to food, especially of the population living in poverty and the indigenous population, which has levels of malnutrition higher than the national average.

V. Dwelling

- 59. According to the measurement of poverty, the lack of dimension of quality and spaces of the housing is removed only if jointly the quality of the floors, walls and ceilings is good and there is no overcrowding. Efforts should be made to improve the quality of the materials of the dwellings and their sizes to avoid overcrowding, which is the indicator with the highest deprivation (10.6 percent) in this dimension in 2010.
- 60. The deprivation of the dimension of basic housing services will only abate when housing has water, drainage and electricity. It is therefore relevant increase the coverage of drainage and safe drinking water, since at the national level there are still shortcomings of 10.8 percent and 9.3 percent respectively.
- 61. The assessments also show that there are abandoned households due to the lack of services in the areas where they were constructed. It is suggested to carry out a proper urban planning for the budget dedicated to the construction of dwelling have more effect on the population.
- 62. In response to the problems of empty houses, it will be important to strengthen actions to improve the dwelling and services connectivity.
- 63. The programs Drinking Water and Sanitation Systems in Rural Areas, 3x1 for Migrants, potable water, sewerage and sanitation in urban areas (APAZU) and Habitat have been built and expanded a number of important works. But one of the major challenges of these programs is to improve the definition of the populations they serve.



- 64. The state and municipal governments have contributed in great extent to the installation of infrastructure for water and drainage with the resources of Branch 33. However, the provision of infrastructure to take water from the municipality to the houses is responsibility of the local governments, therefore, it is necessary to establish adequate mechanisms to coordinate the three government orders.
- 65. The success of these programs is deposited in an important step in other actors: the governments of the federal entities, municipalities, agencies operators and the people of rural communities involved, so that an assessment of the implementation of the same should consider these factors and on the entire different context which constitutes each federal entity.

VI. Inequality

- 66. To make the tax system (taxes and government expenditures) more progressive for that impinges on the distribution of income, by removing some of the more regressive subsidies (in an absolute sense) and implement reforms to improve the fairness of other items of social expenditure.
- 67. The generalized subsidy to gasoline by way of the IEPS that, in accordance with the Ministry of Finance in 2008 represented more than 200 billion pesos, favors mainly to middle- and upper-income groups. In addition, the subsidy encourages a greater consumption of fuels that have a polluting effect. We suggest considering an analysis of this type of item to make the best decision with regard to this allowance.
- 68. Improve the quality of basic services available to the population in poverty, especially to the indigenous.
- 69. Strengthen the affirmative action in public positions, especially in favor of women and indigenous people.
- 70. Improve the infrastructure and equipment in areas of greatest poverty, especially in priority areas indigenous.
- 71. Improve the access of the poor to productive assets and opportunities that will enable them to strengthen their income, by means of productive programs, employment and educational effectively targeted to them.


B) SPECIAL ATTENTION OF THE FEDERAL EXECUTIVE AND THE CONGRESS OF THE UNION

- 72. Search for legal changes, institutional and funding in the social security so that you can cover to all Mexicans, regardless of their employment status.
- 73. Gradually reduce the cost of contributory social security of the formal jobs to stimulate job creation. The dignified and socially useful work is a social right and is a key element in achieving poverty reduction systematically.
- 74. While social programs tend to have positive effects to reduce the dimension of rights of poverty, a systematic reduction in the welfare dimension will be realized only if the population's real income increases for several years. The steady increase in the purchasing power of income in the country should come from a higher economic growth, greater employment generation, increases in productivity, investment and price stability, which many times require substantive changes to change the economic and fiscal conditions in the country. For the above, it is necessary to have solid political agreements.
- 75. To avoid a greater dispersion of budget programs and contribute to a better planning and coordination of social development policy it is recommended that the Legislature, like the Executive, perform a diagnosis that justifies the creation of new federal programs prior to the inclusion of these in the Federal Expenditure Budget Decree.
- 76. Strengthen the indicators of the sectorial and institutional objectives of the units and entities of the APF to improve the measurement of the link between programs and actions with national priorities defined in the National Development Plan.

c) SPECIAL ATTENTION OF THE INTER-MINISTRY SOCIAL DEVELOPMENT COMMISSION

77. Find synergies and avoid duplication between federal programs, between these and the state and of both with the local.



- 78. Reassign programs between units and entities to make them more efficient and effective financial and human resources.
- 79. Establish mechanisms to facilitate the coordination between institutions and programs.
- 80. Poverty was recently increased by an economic problem (reduction in real income, jobs are insufficient, low economic growth, increase in food prices) and not for reasons directly attributable to the social development policy. For the foregoing reasons, it is recommended that the goal of poverty reduction is not in charge of a single secretariat (in this case the SEDESOL federal, state or municipal) but that is the joint responsibility of economic and social enclosures. Virtually all the secretariats (of the different orders of government) should have as a primary objective the reduction of poverty.
- 81. It is recommended that the planning of social development policy go beyond having a set of isolated social programs at the federal, state and municipal levels and that there are common objectives based on access to social rights, as well as a greater integration between social and economic policies
- 82. To avoid a greater dispersion of programs having them and contribute to a better planning and coordination of the development of social policy, it is requested that all the dependencies and institutions respond to the provision of the twenty-first General Guidelines for the evaluation of the Federal programs of the Federal Public Administration, that the Ministry of Finance, the Ministry of Public Administration and the CONEVAL issued on 30 March 2007, which stipulates that "the dependencies and entities should develop a diagnostic that justifies the creation of new federal programs intended to include in the draft annual budget..." The provision states that this diagnosis should be developed before the units include the program in the annual budget.

D) SPECIAL ATTENTION OF THE INTER-MINISTRY SOCIAL DEVELOPMENT COMMISSION

83. To improve the coordination between the Federation, the states and municipalities, it is recommended to build and disseminate an inventory of social development programs and activities that include the three orders of government.

- 84. Have independent, rigorous and systematic external evaluations for the policies. Social development programs and activities of states and municipalities and disseminate their results, in order to make more transparent the social development policy in the local area. It is recommended that this requirement should be included in local laws to strengthen the institutional framework for the assessment processes of state and municipal governments.
- 85. Integrate a single census of social programs of the three orders of government to allow:
 - Better articulate the actions of public policy for the different orders of government.
 - Better-targeted social programs, focusing on those with the most disadvantages.

E) IN REGARD TO THE BRANCH 33

VII. Short term

- 86. Promote the functioning of public systems of effective assessment at the state level and at the municipal level.
- 87. Improve the definition of the performance indicators by which measures the achievement of the funds.
- 88. Homogenize the information reported to the states and municipalities on the finance and destination of the funds, with the aim of this study was to analyze and evaluate their results and that it will be useful for accountability.
- 89. Homologate the criteria for the operation and auditing of funds between state laws, the various secretariats of state involved in the management of these and the Supreme Audit Office of the Federation.

VIII. Medium term

90. Redefine the formulas for distributing funds to the light of the objectives each, in such a way that promotes the effectiveness, efficiency and equity in its operation.



To consider that information is available on the measurement of poverty at the state level every two years and at the municipal level every five years.

91. If the federal entities have effective systems and transparent monitoring and evaluation may make social policy decisions more effective and efficient.

F) SPECIAL ATTENTION OF FEDERAL SOCIAL PROGRAMS

92. As part of the assessment process that the CONEVAL carries out on an annual basis, specific information is issued for each assessed program, which are listed in Annex IV





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Annex I. Functional organization of the public expenditure

The structure of the account of the Ministry of Treasury is organized in a hierarchical manner. The highest level of this budget structure is the Branch and decreases by levels until you reach the lowest level, corresponding to the program budget (which unit responsible is usually the instance that is running the expenditure); as shown in

Figure A. Representation of the hierarchical organization of the public expenditure



The first step in the analysis of the spending exercised by social development programs that was made in this report, was carried out by following this general procedure: first indicated that functional group to belong the programs (social development, economic development or government), was established in that function belongs the majority of these (the number of functions changes depending on the functional group) and, finally, mention was made of the subfunctions that make up the function.

The expenditure of the educational programs are contrasted with the expenditure to the social development functional group education budgetary function; expenditure for health programs has been within context with the expenditure on health and the expenditure of the dwelling programs are ranked in relation to the expenditure to the role of urbanization, dwelling and regional development, the latter two also belong to the social development functional group.

In the case of the dimension of nutrition and social security, the programs grouped there were contrasted with the social assistance function of the social development functional group, since it is there where the Public Account classifies them.

The set of economic welfare programs were contrasted with the economic development functional group, as most of them are part of such group.

Annex II.

Social development programs by social dimension, 2008-2012

#	Analysis dimension: Economical Welfare	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	ECR 2011 2012
1	Support Program	SAGARPA	Support to producers	Yes	Yes	Yes	No
2	Care Program for Structural Issues (PAPE)	SAGARPA	Support to producers	Yes	Yes	Yes	No
3	PROCAMPO to live better (para vivir mejor)	SAGARPA	Support to producers	Yes	Yes	Yes	Yes
4	Support Program for Equipment and Infrastructure Investment	SAGARPA	Support to producers	No	No	No	Yes
5	Development Program for Capabilities, Technological Innovation and Rural Extensions	SAGARPA	Support to producers	No	No	No	Yes
6	Program for the Acquisition of Productive Assets (PAAP)	SAGARPA	Support to producers	Yes	Yes	Yes	No
7	Strengthening Program for Rural Organization (Organizate)	SAGARPA	Support to producers	Yes	Yes	Yes	No
8	Programs for the Promotion and Development of Financing for the Rural Sector (PIDEFIMER)	SAGARPA	Financing for productive activities	Yes	Yes	Yes	No
9	Young Rural Entrepreneur and Land Fund Program (JERFT)	SRA	Financing for productive activities	Yes	Yes	Yes	Yes
10	Support Fund for Productive Projects (FAPPA)	SRA	Financing for productive activities	Yes	Yes	Yes	Yes
11	Program for Women in the Agricultural Sector (PROMUSAG)	SRA	Financing for productive activities	Yes	Yes	Yes	Yes
12	Productive Options Program (POP)	SEDESOL	Financing for productive activities	Yes	Yes	Yes	Yes
13	Prevention Program and Risks Management	SAGARPAA	Financing for productive activities	No	No	No	Yes
14	National Fund for the Development of Arts and Crafts (FONART)	SEDESOL	Financing for productive activities	Yes	Yes	Yes	Yes
15	Indigenous Regional Funds Program (PFRI)	CDI (SHCP)	Financing for productive activities	Yes	Yes	Yes	Yes
16	Productive Organization Program for Indigenous Women (POPMI)	CDI (SHCP)	Financing for productive activities	Yes	Yes	Yes	Yes
17	Coordination Program for the Support to Indigenous Production (PROCAPI)	CDI (SHCP)	Financing for productive activities	Yes	Yes	Yes	Yes
18	Fund for Micro Financing of Rural Women (FOMMUR)	ECONOMY	Micro-entrepreneurs	Yes	Yes	Yes	Yes
19	National Program to Finance Micro- Entrepreneurs (PRONAFIM)	ECONOMY	Micro-entrepreneurs	Yes	Yes	Yes	Yes
20	Businesses in Solidarity National Fund (FONAES)	ECONOMY	Micro-entrepreneurs	Yes	Yes	Yes	Yes
21	Economic Support Fund for Micro, Small and Medium Business (PYME Fund)	ECONOMY	Business promotion	Yes	Yes	Yes	Yes
22	Job Creation Program in marginalized areas (PCEZM)	ECONOMY	Business promotion	No	No	Yes	Yes
23	Program for the Development of High Technology Industries (PRODIAT)	ECONOMY	Business promotion	No	No	Yes	Yes
24	Industry Competitiveness Promotion Program (PROIND)	ECONOMY	Business promotion	No	No	Yes	Yes
25	Competitiveness for Logistics and Supply Markets (PROLOGYCA)	ECONOMY	Business promotion	Yes	Yes	Yes	Yes
26	Program for the Development of the Software Industry (PROSOFT)	ECONOMY	Business promotion	Yes	Yes	Yes	Yes

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#	Analysis dimension: Economical welfare	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	SPE 2011 2012
27	Employment Support Program (PAE)	STPS	Employment generation and conservation	Yes	Yes	Yes	Yes
28	Productivity Support Program (PAP)	STPS	Employment generation and conservation	No	Yes	Yes	No
29	Care Program for Situations of Labor Contingency (PASCL)	STPS	Employment generation and conservation	No	No	Yes	Yes
30	Childcare Centers Program to Support Working Mothers (PEI)	SEDESOL	Employment generation and conservation	Yes	Yes	Yes	Yes
31	Temporary Employment Program (TEP)	SEDESOL	Employment generation and conservation	Yes	Yes	Yes	Yes
32	Childcare Services	IMSS	Employment generation and conservation	No	Yes	Yes	No
33	Subsidy to the Agricultural Insurance Premium (PSASA)	Agroasemex (SHCP)	Contingencies support	Yes	Yes	Yes	Yes
34	Support Program for Agricultural Insurance Funds (PAFA)	Agroasemex (SHCP)	Contingencies support	Yes	Yes	Yes	Yes
35	Contingencies and Self-insurance Fund	Agroasemex (SHCP)	Contingencies support	Yes	Yes	Yes	Yes
36	Climatological Contingencies Attention Program (PACC)	SAGARPA	Contingencies support	Yes	Yes	Yes	No
37	3 x 1 Migrant program	SEDESOL	Infrastructure and Services	Yes	Yes	Yes	Yes
38	Support for Financing and Banking Inclusion	SHCP	No	No	No	No	No
39	Actions Instrumentation to Improve Sanities through Phytozoosanitary Inspections	SAGARPA	No	Yes	No	No	Yes
40	Range Land Coefficient Determination	SAGARPA	No	No	No	No	Yes
41	Agricultural National Researchers System	SAGARPA	No	No	No	No	Yes
42	Support to Technological Change on Aquatic and Fishery Activities	SAGARPA	No	No	No	No	Yes
43	National Program for Africanized Bee Control	SAGARPA	No	No	No	No	Yes
44	Varroasis Diagnosis, Prevention and Control Campaign	SAGARPA	No	No	No	No	Yes
45	Productive Binding	SAGARPA	No	No	No	No	SI
46	Support to Technological Change on Agricultural, Rural, Aquatic and Fishery Activities	SAGARPA	No	No	No	No	No
47	Research Projects Generation	SAGARPA	No	No	No	No	No
48	National Committee on Productivity and Technological Innovation (COMPITE)	ECONOMY	No	Yes	Yes	No	No
49	Productive Sectors Reconversion	ECONOMY	No	Yes	Yes	No	No
50	Strategic Projects for Foreign Investment Attraction	ECONOMY	No	No	No	No	Yes
51	Promotion of an Intelligent Consumption Culture	ECONOMY	No	No	No	No	No
52	Prevention and Correction of Abusive Practices on Consumption Relationships between Consumers and Vendors	ECONOMY	No	No	No	No	No
53	Ordinance and Regulation of Rural Property	SRA	No	No	No	No	No
54	Support Fund for Agricultural Cores without Regularization (FANAR)	SRA	No	No	No	No	No
55	Program to Promote Regional Development	SEDESOL	No	No	No	No	No
56	Support for Studies and Research	CONACYT	No	No	No	No	No

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	Analysis dimension: Economical welfare	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	2011 2012
7	Support to Institutional Consolidation	CONACYT	No	No	No	No	Yes
3	Technological Innovation for High Added Value Businesses	CONACYT	No	No	No	No	Yes
)	Development and Innovation on Pioneering Technologies	CONACYT	No	No	No	No	No
)	Technological Innovation for Enterprises Competitiveness	CONACYT	No	No	No	No	No
I	Scientific Research Performance and Publications Preparation	CONACYT	No	No	No	No	No
2	Technological and Innovation Development and Publications Preparation	CONACYT	No	No	No	No	No
3	Improvement of Admittance Services Operative Units	IMSS	No	No	No	No	No
1	Welfare Daycare Centers and Child Development Services	ISSSTE	No	No	No	No	No
5	Support Programs and Services for Household Basic and Consumption Products Acquisition	ISSSTE	No	No	No	No	No
6	Livestock Promotion and Standardization of Livestock Products Quality	SAGARPA	No	No	No	No	Yes
	Dimension de análisis: Educación	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2001 2012
7	Compensatory Actions to Mitigate the Educational Gap in Initial and Basic Education	CONAFE (SEP)	Basic Education	Yes	Yes	Yes	Yes
3	Program for the strengthening of the Education Service of the Tele-secundary	SEP	Basic Education	Yes	Yes	Yes	Yes
)	Full Time Schools Program (PETC)	SEP	Basic Education	No	Yes	Yes	Yes
)	Quality Schools Program (PEC)	SEP	Basic Education	Yes	Yes	Yes	Yes
l	Program of the National System for Continuous Training and Professional Development of Basic Education Teachers in Service	SEP	Basic Education	Yes	Yes	Yes	Yes
2	Safe School Program (PES)	SEP	Basic Education	No	Yes	Yes	Yes
3	Expansion of educational opportunities in Secondary High Education	SEP	Secondary, High and Teacher Training	No	No	Yes	No
1	Fund for the Improvement of Higher Education (FOMES) Program	SEP	Higher Secondary and Teacher Training	Yes	Yes	Yes	No
5	Fund of Investment for Public State Institutions Program with Assessment from ANUIES (FIUPEA)	SEP	Higher Secondary and Teacher Training Education	Yes	Yes	Yes	No
6	Institutional Improvement Program for Public Teacher Training Schools (PROMIN)	SEP	Higher Secondary and Teacher Training	Yes	Yes	Yes	Yes
7	Rural Education Program (PER)	SEP	Higher Secondary and Teacher Training	Yes	Yes	Yes	No
3	Federal Subsidies for Decentralized State Organisms	SEP	Secondary, High and Teacher Training	Yes	Yes	Yes	Yes
)	Support Fund for Financial Disencumbrance of the UPES below the National Average in Grant per Pupil	SEP	Higher Secondary and Teacher Training Education	Yes	Yes	Yes	Yes
C	Quality Strengthening in Teachers Training Schools	SEP	Higher Secondary and Teacher Training	No	No	Yes	Yes
1	Attention to Adults Education Demand (INEA)	INEA (SEP)	Promotion and Education Support	Yes	Yes	Yes	Yes
2	Program to Strengthen Special Education and Educational Inclusion (PFEEIE)	SEP	Promotion and Education Support	Yes	Yes	Yes	Yes

#	Analysis Dimension: Education	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2001 2012
83	Educational Attention to Groups in Vulnerable Situation	SEP	Promotion and Education Support	No	No	Yes	Yes
84	Education for the disabled	SEP	Promotion and Education Support	No	No	Yes	Yes
85	National Reading Program (PNL)	SEP	Promotion and Education Support	Yes	Yes	Yes	Yes
86	Digital skills for all	SEP	Promotion and Education Support	No	No	Yes	No
87	Subsidiaries for Education Centers	SEP	Promotion and Education Support	No	No	Yes	No
88	Grants program	SEP	Support for Research and Grants	No	No	Yes	Yes
89	Professor Improvement Program (PROMEP)	SEP	Support for Research and Grants	Yes	Yes	Yes	Yes
90	National Program for Grants and Financing (PRONABES)	SEP	Support for Research and Grants	Yes	Yes	Yes	Yes
91	Support Grants Program for Basic Education to Young Mothers and Pregnant Young Womer (PROMAJOVEN)	SEP	Support for Research and Grants	Yes	Yes	Yes	Yes
92	Support Grants Program for Intensive Practice and Social Service for Seventh and Eigh Semester Students of Public Teacher Training Schools (PROBAPISS)	SEP	Support for Research and Grants	Yes	Yes	Yes	Yes
93	Graduate grants and other support methods to quality	CONACYT	Support for Research and Grants	Yes	Yes	Yes	Yes
94	National Researchers System (SNI)	CONACYT	Support for Research and Grants	Yes	No	Yes	Yes
95	Strengthening at sectorial level of scientific technological and innovation capacities	CONACYT	Support for Research and Grants	Yes	No	Yes	Yes
96	Strengthening of the Scientific, Technologica and Innovative Capacities in Federal Entities (FOMIX)	CONACYT	Support for Research and Grants	No	No	Yes	Yes
97	New Fund for Science and Technology (FONCYT)	ECONOMY	Support for Research and Grants	No	No	Yes	No
98	Shelter Programs for Indigenous Schoolchildrer (PAEI)	CDI (SHCP)	Actions Addressed to Indigenous Population	Yes	Yes	Yes	Yes
99	Initial and Basic Education Program for Rura and Indigenous Population	CONAFE (SEP)	Actions Addressed to Indigenous Population	Yes	Yes	Yes	Yes
100	Basic Education Program for Migrants Boys and Girls of Agricultural Workers (PRONIM)	SEP	Actions Addressed to Indigenous Population	Yes	Yes	Yes	Yes
101	Pedagogical Technical Advisor Program (PATP)	SEP	Actions Addressed to Indigenous Population	Yes	Yes	Yes	Yes
102	Sports	SEP	Culture and Sports	Yes	Yes	Yes	Yes
103	Support Program for Community and Municipa Cultures (PACMYC)	SEP	Culture and Sports	Yes	Yes	Yes	Yes
104	Communities Support Fund for the Restoration of Federally Owned Monuments and Artistic Assets (FOREMOBA)	SEP	Culture and Sports	Yes	Yes	Yes	Yes
105	Support Program to the cultural Infrastructure o the States (PAICE)	SEP	Culture and Sports	Yes	Yes	Yes	Yes
106	Fund for Public State Universities Staf Acknowledgment (fund for contest)	SEP	No	Yes	No	No	No
107	Strengthening Program for Learning Schoo Communities, Contestable	SEP	No	No	No	No	No

#	Analysis Dimension: Education	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2001 2012
108	Support Fund for Structural Reforms of Public State Universities (Contestable fund to suppor UPES reforms to fight contingent liabilities derived from pensions and retirements)	SEP	No	Yes	Yes	No	No
109	Fund to Increase Tuition in High Education of Public State Universities and with Solidarity Support	SEP	No	Yes	Yes	No	No
110	Fund for Public State Universities Consolidation and Solidarity Support	SEP	No	Yes	Yes	No	No
111	Additional Assignment Model to Ordinary Federal Subsidy, Public State Universities (Distribution by CUPIA formula with SEP and ANUIES participation)	SEP	No	Yes	Yes	No	No
112	School always open to the community	SEP	No	No	No	No	No
113	Federal Subsidy for Academic Excellence Centers	SEP	No	No	No	No	No
114	Support to deregulated	SEP	No	No	No	No	Yes
115	Virtual University	SEP	No	No	No	No	No
116	Contestable investment fund on infrastructure for Higher Secondary School	SEP	No	No	No	No	No
117	Extension for Educational Offer of Technologica Institutes	SEP	No	No	No	No	No
118	Strengthening to Early Education and Child Development	SEP	No	No	No	No	No
119	Supplementary supports for FAEB	SEP	No	No	No	No	No
120	Strengthening of higher secondary education ir COLBACH	SEP	No	No	No	No	No
121	Strengthening of higher secondary education in CECYTES	SEP	No	No	No	No	No
122	Distance Education National System	SEP	No	No	No	No	No
123	Teachers Career Program (UPES)	SEP	No	No	No	No	No
124	Support to Existing Intercultural Universities Infrastructure (Contest fund. Includes equipment)	SEP	No	No	No	No	No
125	Support Fund to Technological Universities Quality (includes equipment, laboratories and workshops)	SEP	No	No	No	No	No
126	Support Program to Professional Formation and Higher Education Foundation Project (ANUIES)	SEP	No	No	No	No	No
127	Fund for Intercultural Universities consolidation (irreducible) Annex 26 B	SEP	No	No	No	No	No
128	Extension of the higher education offer (Including equipment and infrastructure)	SEP	No	No	No	No	No
129	Support fund for Technological Institutes quality (decentralized) Equipment and Infrastructure workshops and laboratories	SEP	No	No	No	No	No
130	State Cultural Institutions	SEP	No	No	No	No	No
131	Schools equipment for basic education nationwide	SEP	No	No	No	No	No
132	Fund for improvement of educationa technologies in basic education	SEP	No	No	No	No	No

#	Analysis Dimension: Education	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2001 2012
133	Support to Federal Entities for the National Program of English in Education Basic	SEP	No	No	No	No	No
134	Free textbooks production and distribution	SEP	No	No	No	No	No
135	Production and edition of books, educational and cultural material	SEP	No	No	No	No	No
136	Encyclomedia	SEP	No	No	No	No	No
137	Reliable assessments on educational quality and timely diffusion of their results	SEP	No	No	No	No	No
138	Service rendering of higher secondary education services	SEP	No	No	No	No	No
139	Service rendering of technical education services	SEP	No	No	Yes	No	No
140	Human Resources Training Program based on Competences (PROFORHCOM)	SEP	No	No	No	No	No
141	Service rendering of high and graduate education services	SEP	No	No	No	No	No
142	Production and transmission of educational and cultural material	SEP	No	No	No	No	No
143	Promotion and encouragement of reading books	SEP	No	No	No	No	No
144	Production and distribution of books, educational, cultural and commercial materials	SEP	No	No	No	No	No
145	Attention to sports	SEP	No	No	No	No	No
146	Generation and articulation of youth integrated policies	SEP	No	No	No	No	No
147	Scientific research and technological	SEP	No	No	No	No	No
148	Granting and promotion of film services	SEP	No	No	No	No	No
149	Cultural educational services	SEP	No	No	No	No	No
150	Support to operate the National Board of Education for Life and Work (INEA)	SEP	No	No	No	No	No
151	Design, construction, consulting and assessment of educational physical infrastructure	SEP	No	No	No	No	No
152	Regulations issuance and education physical infrastructure certification	SEP	No	No	No	No	No
153	Better Schools	SEP	No	No	No	No	No
154	SEP CONACYT fund for research in basic science	SEP	No	No	No	No	No
155	Teachers training for high secondary education	SEP	No	No	No	No	No
156	Academic reinsertion of Young members of bands and gangs	SEP	No	No	No	No	No
157	Support fund for technological institutes quality (federal and decentralized) equipment and infrastructure: workshops and laboratories	SEP	No	No	No	No	No
158	Educational programs development and application at higher secondary level	SAGARPA	No	No	No	No	No
159	Educational programs development and application at higher secondary level	SAGARPA	No	No	No	No	No
160	Educational programs development and application on agricultural matter	SAGARPA	No	No	No	No	No
161	Technical and human resources managerial training for health	HEALTH	No	No	No	No	No

#	Analysis Dimension: Health	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2011 2012
162	Attention to public health	IMSS	Health	No	Yes	Yes	No
163	Attention to efficient healing	IMSS	Health	No	Yes	Yes	No
164	Service rendering on different levels of attention to health	HEALTH	Health	No	Yes	Yes	No
165	Emergencies Attention	ISSSTE	Health	No	Yes	Yes	No
166	Reduction of preventable diseases by vaccination	HEALTH	Health	No	Yes	Yes	No
167	IMSS Program Oportunidades	IMSS	Access and Improvement of Health Services	Yes	Yes	Yes	Yes
16B	Health Caravan Program (PCS)	HEALTH	Access and Improvement of Health Services	Yes	Yes	Yes	Yes
169	Integrated Quality Health System (SICALIDAD)	HEALTH	Access and Improvement of Health Services	Yes	Yes	Yes	Yes
170	Healthy Communities Program	HEALTH	Access and Improvement of Health Services	Yes	Yes	Yes	Yes
171	Health specialized human resources training	HEALTH	Access and Improvement of Health Services	No	Yes	Yes	No
172	Popular Insurance (SP)	HEALTH	Access and Improvement of Health Services	No	Yes	Yes	Yes
173	Medical Insurance for a New Generation (SMNG)	HEALTH	Access and Improvement of Health Services	Yes	Yes	Yes	Yes
174	Physical Culture	SEP	Culture and Sports	Yes	Yes	Yes	Yes
175	Mexican System for High Performance Sports	SEP	Culture and Sports	Yes	Yes	Yes	Yes
176	Clean Water Program (PAL)	CONAGUA (SEMARNAT)	Infrastructure and Services	Yes	Yes	Yes	Yes
177	Attention to Terciary Care Hospital	CDI (SHCP)	No	No	No	No	Yes
17B	Attention to occupational health	IMSS	No	No	No	No	No
179	Attention to reproduction health	IMSS	No	No	No	No	No
1B0	Strengthening of Health Services Networks	HEALTH	No	No	No	No	No
1B1	Dignification, preservation and maintenance of infrastructure and equipment in health	HEALTH	No	No	No	No	No
1B2	Technological research and development in health	HEALTH	No	No	Yes	No	No
1B3	Addictions prevention and attention	HEALTH	No	No	No	No	No
1B4	Epidemiological surveillance	HEALTH	No	No	No	No	No
1B5	Water Culture Program	CONAGUA (SEMARNAT)	No	No	No	No	Yes
1B6	Research on health at the IMSS	IMSS	No	No	No	No	No
1B7	Control of preventable diseases by vaccination	ISSSTE	No	No	No	No	No
1BB	Control of Transmissible Diseases	ISSSTE	No	No	No	No	No
1B9	Timely Detection of Diseases	ISSSTE	No	No	No	No	No
190	Health orientation	ISSSTE	No	No	No	No	No
191	Control of Pregnant Woman Health Condition	ISSSTE	No	No	No	No	No
192	Mother and Child Care	ISSSTE	No	No	No	No	No
193	Dentist Consult	ISSSTE	No	No	No	No	No
194	General Outpatient Consult	ISSSTE	No	No	No	No	No

#	Analysis Dimension: Health	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2011 2012
195	Specialized Outpatient Consult	ISSSTE	No	No	No	No	No
196	Admission to Ward	ISSSTE	No	No	No	No	No
197	Specialized Admission to Ward	ISSSTE	No	No	No	No	No
198	Rehabilitation	ISSSTE	No	No	No	No	No
199	Scientific and Technological Research	ISSSTE	No	No	No	No	No
200	Training and Qualification of Human Resources on Health	ISSSTE	No	No	No	No	No
201	Training and Qualification of Human Resources on Social Security	ISSSTE	No	No	No	No	No
#	Analysis Dimension: Nutrition	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2011 2012
202	Social Milk Supply Program by Liconsa, S.A. de C.V. (PASL)	Liconsa, S.A. de C.V. (SEDESOL)	Food Support and Capacities Generation	Yes	Yes	Yes	Yes
203	Rural Supply Program by Diconsa, S.A. de C.V. (DICONSA)	Diconsa, S.A. de C.V. (SEDESOL)	Food Support and Generation of Capacities	Yes	Yes	Yes	Yes
204	Oportunidades Human Development Program (PDHO)	SEDESOL	Food Support and Capacities Generation	Yes	Yes	Yes	Yes
205	Food Support Program (PAL)	Coordination PDHO (SEDESOL)	Food Support and Capacities Generation	Yes	Yes	Yes	Yes
206	Program for the acquisition of domestic milk by LICONSA, S.A. de C.V.	SEDESOL	No	No	No	No	No
#	Analysis Dimension: Dwelling	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2001 2012
207	Financing and Federal Subsidy for Housing Scheme (Esta es Tu Casa)	CONAVI (SHCP)	Dwelling and Services	Yes	Yes	Yes	Yes
208	Promotion to housing production at Federal Entities and Municipalities	CONAVI (SHCP)	Dwelling and Services	Yes	Yes	Yes	No
209	Tu Casa Savings, Subsidy and Credit for Dwelling (Tu Casa)	SEDESOL	Dwelling and Services	Yes	Yes	Yes	Yes
210	Rural Dwelling Program (PVR)	SEDESOL	Dwelling and Services	Yes	Yes	Yes	Yes
211	Program to Support Residents in Conditions of Asset Poverty to Regularize Irregular Human Settlements (PASPRAH)	SEDESOL	Dwelling and Services	Yes	Yes	Yes	Yes
212	Program for Drinking Water, Sewerage and Sanitation in Urban Zones (APAZU)	SEMARNAT	Infrastructure and Services	Yes	Yes	Yes	Yes
213	Program for the Construction and Restoration of Potable Water Systems and Sanitation in Rural Areas (PROSSAPYZ)	SEMARNAT	Infrastructure and Services	Yes	Yes	Yes	Yes
214	Program for Priority Areas Development (PDZP)	SEDESOL	Infrastructure and Services	No	Yes	Yes	Yes
215	Habitat Program	SEDESOL	Infrastructure and Services	Yes	Yes	Yes	Yes
216	Program for property public registry modernization in the states.	SEDESOL	No	No	No	No	No
#	Analysis dimension: Social Security	Entity	Theme group	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2011 2012
217	70 and Over program	SEDESOL	Attention to priority groups	Yes	Yes	Yes	Yes

#	Social development programs that were not analyzed in the assessment report	tResponsible Entity	Comprehensive Performance Evaluation	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2011 2012
218	Attention Programs to the Disabled	HEALTH	Social Assistance	YES	Yes	Yes	Yes
219	Programs for Childhood Comprehensive Protection and Development	HEALTH	Social Assistance	Yes	Yes	Yes	Yes
220	Care Programas de Atención a Familias y Población Vulnerable	HEALTH	Social Assistance	YES	Yes	Yes	Yes
221	Care Program for Agricultural Workers (PAJA)	SEDESOL	Attention to priority groups	Yes	Yes	Yes	Yes
222	Strengthening Gender Perspective Mainstreaming	INWOMEN (SHCP)	Attention to priority groups	No	No	Yes	Yes
223	Social Co-investment Program (PCS)	SEDESOL	Attention to priority groups	Yes	Yes	Yes	Yes
224	Support Program to Women Instances in Federal Entities, to Implement and Perform Programs on Prevention of Violence agains Women (PAIMEF)	SEDESOL	Attention to priority groups	Yes	Yes	Yes	Yes
225	Basic Infrastructure Program for the Indigenous People (PIBAI)	CDI (SHCP)	Infrastructure and Services	Yes	Yes	Yes	Yes
226	Program for the Rescue of Public Spaces	SEDESOL	Infrastructure and Services	Yes	Yes	Yes	Yes
227	Contestable Fund for Waste Water Treatment	SEMARNAT	Infrastructure and Services	No	No	Yes	Yes
228	Program for the Promotion of Agreements in Matters of Justice (PPCMJ)	CDI (SHCP)	Indigenous Population	Yes	Yes	Yes	Yes
229	Program for the Promotion and Development of Indigenous Cultures (PROFODECI)	CDI (SHCP)	Indigenous Population	Yes	Yes	Yes	Yes
230	Care Project for Displaced Indigenous People, Urban Indigenous People and Immigrants (PAID)	CDI (SHCP)	Indigenous Population	Yes	Yes	Yes	Yes
231	Support Program for Indigenous Communication Projects (APCI)	CDI (SHCP)	Indigenous Population	Yes	Yes	Yes	Yes
232	Alternative Tourism Program in Indigenous Areas (PTAZI)	CDI (SHCP)	Indigenous Population	Yes	Yes	Yes	Yes
233	Management and Conservation of Natural Resources in Indigenous Areas (MANCON)	SHCP	Environmental sustainability	No	No	Yes	Yes
234	Program for Sustainable Use of Natural Resources for Primary Production	SAGARPA	Environmental sustainability	Yes	Yes	Yes	No
235	Preservation Program for Sustainable Development (PROCODES)	SEMARNAT	Environmental sustainability	Yes	Yes	Yes	Yes
236	Program for Environmental Institutional Development (PDIA)	SEMARNAT	Environmental sustainability	Yes	Yes	Yes	No
237	Irrigation Districts Rehabilitation and Modernization Program	SEMARNAT	Environmental sustainability	Yes	Yes	Yes	Yes
238	Plot Development Program (PRODEP)	SEMARNAT	Environmental	Yes	Yes	Yes	No
239	Irrigation Units Modernization and Technifica Program	SEMARNAT	Environmental sustainability	No	No	Yes	Yes
240	Support Programs and Services for Drugs and Pharmaceutical Products Purchase	ISSSTE	Environmental sustainability	No	No	No	No
241	Subsidy to youngsters programs	SEP	Promotion and Education Support	No	No	Yes	Yes
242	ProÁrbol - Forestry Development Program (PRODEFOR)	SEMARNAT	Forestry development	Yes	Yes	Yes	Yes

#	Social development programs that were not analyzed in the assessment report	Responsible Entity	Comprehensive Performance Evaluation	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2011 2012
243	ProÁrbol - Commercial Forest Plantation Program (PRODEPLAN)	SEMARNAT	Forestry development	Yes	Yes	Yes	No
244	ProÁrbol - Payment Program for Environmental Services (PSA)	SEMARNAT	Forestry development	Yes	Yes	Yes	Yes
245	ProÁrbol - Forest Ecosystems Preservation and Restoration Program (PROCOREF)	SEMARNAT	Forestry development	Yes	Yes	Yes	Yes
246	ProÁrbol- Environmental services program for carbon sequestration, biodiversity and agroforestry systems(CABSA)	SEMARNAT	Forestry development	Yes	Yes	Yes	No
247	ProÁrbol - Preservation and Restoration Projects	SEMARNAT	Forestry development	Yes	Yes	Yes	Yes
248	ProÁrbol - Yielding and productivity promotion of Forest Ecosystems in a sustainable manner	SEMARNAT	Forestry development	Yes	Yes	Yes	Yes
249	ProÁrbol - Technical support program to access forestry programs	SEMARNAT	Forestry development	Yes	Yes	Yes	No
250	Strengthening Municipality Policies for Equality and Fairness between Women and Men	INMUJERES (SHCP)	No	No	No	No	Yes
251	Irrigation Technification	SAGARPA	No	No	No	No	Yes
252	Educational Attention to Vulnerable Situation Groups in Basic Education	SEP	No	No	No	No	No
253	Strengthening actions associated to indigenous education	SEP	No	No	No	No	No
254	Promotion of culture development	SEP	No	No	No	No	No
255	Incorporation, restoration, preservation and maintenance of National Patrimony Assets	SEP	No	No	No	No	No
256	Gender equity policies design and application	SEP	No	No	No	No	No
257	ProÁrbol Support for Forest Fires Preventive Actions	SEMARNAT	No	No	No	No	No
258	Action Program for Preservation of the Vaquita Marina	SEMARNAT	No	No	No	No	Yes
259	Waste comprehensive prevention and management	SEMARNAT	No	No	No	No	No
260	Program to impulse River Basin Councils organizational development	SEMARNAT	No	No	No	No	Yes
261	Native Maize Preservation Program	SEMARNAT	No	No	No	No	Yes
262	Recovery of overexploited aquifers	SEMARNAT	No	No	No	No	No
263	Sustainable Development and Environmental Training	SEMARNAT	No	No	No	No	No
264	Hydrological System Comprehensive Management	SEMARNAT	No	No	No	No	No
265	Scientific and technological research	SEMARNAT	No	No	No	No	No
266	ProÁrbol Forest Fires Prevention and Combat	SEMARNAT	No	Yes	No	No	No
267	Services for groups with special needs	SEDESOL	No	No	No	No	No
268	Gender Equity	ISSSTE	No	No	No	No	No
269	Training and certification for work	SEP	No	No	No	No	No
270	Standardization and certification on job skills	SEP	No	No	No	No	No
271	National Registry of Professionals	SEP	No	No	No	No	No
272	Training to workers	STPS	No	No	No	No	No

#	Social development programs that were not analyzed in the assessment report	tResponsible Entity	Comprehensive Performance Evaluation	SPE 2008 2009	SPE 2009 2010	SPE 2010 2011	CRE 2011 2012
273	Promoting gender equality and non-discriminatior in the gender market	STPS	No	No	No	No	No
274	Counseling on safety and health at the work site	STPS	No	No	No	No	No
275	Coordination of Connection Actions betweer Production Factors to Support Labor	STPS	No	No	No	No	No
276	Credentialing for the Elderly	SEDESOL	No	No	No	No	No
277	Efficient social benefits	IMSS	No	No	No	No	No
278	Employment Promotion Program	STPS	No	YES	YES	No	No
279	Support Program for Training	STPS	No	YES	No	No	No
280	Grants for graduate studies (complying with	CONACYT	No	YES	No	No	No
281	Education Model for Life and Labor	SEP-INEA	No	YES	No	No	No
282	Communitarian Model of Initial and Basic Education for Migrant Indigenous Population	SEP	No	YES	No	No	No
283	Education Programs on Addiction Preventior Matters	SEP	No	YES	No	No	No
284	Equitable Financing for Medical Attention	HEALTH	No	YES	No	No	No
285	Program for Local Development (micro regions)	SEDESOL	No	YES	No	No	No
286	Support Program for Priority Attention Areas	SEDESOL	No	YES	No	No	No
287	Development Program for Rain-watered Infrastructure	SEMARNAT	No	YES	No	No	No
288	Rain-watered Areas Preservation and Rehabilitation Program	SEMARNAT	No	YES	No	No	No
289	Irrigation Districts Expansion Program	SEMARNAT	No	YES	No	No	No
290	Program for Efficient Use of Water and Power	SEMARNAT	No	YES	No	No	No
291	Irrigation Units Expansion Program	SEMARNAT	No	YES	No	No	No
292	Program for Full Use of Hydro-agricultura Infrastructure	SEMARNAT	No	YES	No	No	No
293	Constitution and Operation of Credit Promotior Units	FINRURAL	No	YES	No	No	YES
294	Access Costs Reduction to Credit	FINRURAL	No	YES	No	No	YES
295	Program for Cash Warranties Constitution	FINRURAL	No	No	No	No	YES
296	Training, Qualification and Consultation Comprehensive Program for Rural Financing Producers and Intermediaries	FINRURAL	No	No	No	No	YES
297	Support to Strengthening and Development or Scientific and Technological Infrastructure	CONACYT	No	No	No	No	YES
298	Venture Capital Program for Hoarding Commercialization, Transformation and for the Coverage Services Program	, FOCIR	No	YES	No	No	YES
299	Programs Canalizing Supports for Financial and Technological Promotion to Agricultural, Forestry Fishery and Rural Sectors	I FIRA	No	No	No	No	YES
300	Information National System for Sustainable Development (SNIDRUS)	SAGARPA	No	No	No	No	YES
301	Natural Resources Sustainable Program	SAGARPA	No	No	No	No	YES
302	Confined Indigenous Disimprisonment	CDI (SHCP)	No	No	No	No	YES
303	Environmental Institutional Development Program	SEMARNAT	No	No	No	No	YES
304	National Program for Extended Hours in Primary School	SEP	No	No	No	No	No
Total p	rograms assessed as per Instrument			131	122	133	137

Source: CONEVAL Inventory of Social Development Federal Programs and Actions.

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EED: Specific Performance Evaluation 2010-2011.

Annex III. Analysis Methodology of redistributive incidence and equity of social expenditure

The general methodology to estimate the distribution of the public expenditure among the population is referred to as the benefit incidence analysis and represents the most common method to estimate the distribution and incidence of the public expenditure in households. A similar methodology is implemented in Mexico officially on studies about "Tax payment distribution and reception of the public expense by deciles of households and individuals" released by the Ministry of Finance annually on compliance to Article 25 of the Federation Income Law and 31 of the Tax Administration Service Law presented to the consideration of Finance Commissions and of the Chamber of Deputies y Senators as well as of the Public Budget an Account of the Chamber of Deputies.

The public expense distribution in 2008 and 2010 is estimated from the information presented in the ENIGH 2008 and 2010 (MCS, NCV). Public expense distribution is analyzed among the households ordered by net current income per capita of monetary public transference obtained in the same survey.

The results are shown by deciles of persons and this attachment by the concentration coefficient (IC), the synthetic measure widely used in this kind of studies. This concept is also known as "cuasi-Gini" and "pseudo-Gini" in the literature over the inequity measurement. In the literature over the physical incidence and on benefits the index or coefficient of concentration is the most common use term, both in literature over the measurement theory (Kakwani, 1977; 1984; Aronson y Lambert, 1994; Lambert, 2002), as well as the extensive literature applied over the tax incidence and of benefits, and over inequity measurement on non-monetary dimensions such as health and education.(O'Donnell et al., 2007).

This measure is similar to the Gini coefficient, except that the wellbeing concept used to order people poor to rich (in this case transference net current income) is different to the variable which concentration is measured (in this case, public transferences). The concentration coefficient is defined in the range (-1,1), where the negative values represent progressive distributions in absolute terms (concentrated disproportionately within the low income population), the positive values represent regressive distributions in absolute terms (concentrated distributions in absolute terms (concentrated distributions in absolute terms).

populations), and 0 represents a neutral distribution in absolute terms, this is, that a person (or a neutral distribution in absolute terms, this is, each individual (or population deciles) obtains precisely the same share from the total.

A distribution is defined as regressive in relative terms when participation of transference obtained by the higher income population is higher than the share in net current income; this is, when the transference concentration coefficient is higher than the Gini coefficient of the net current income (or when the transference concentration curve is below the Lorenz curve of net current income distribution). In this case, the transference contributes to increase instead of reducing the income inequity.

It is important to emphasize that the absolute regression of transference does not imply that this will increase the income inequity. IC does not represent by itself a distributive effect measure of the programs, but it is an important determinant in this effect. Literature over progressive measurement has demonstrated that there is a direct and simple relationship between the absolute progressivism concept, IC, is the associated concept of relative progressivism (P = IC - G), known as the Kakwani index, the size of transferences and the change of Gini associated to each transference (Kakwani, 1977):

$$G - G' = P \frac{\gamma}{(1 + \gamma)}$$

Where:

IC is the transference concentration index, is the income Gini of households before transference,

G is the income Gini after transference,

G' is the size of the transference as proportion of the income (gross)

and of the households.117

In case of the monetary transferences information used reported directly by ENIGH as part of the household income: Oportunidades, PROCAMPO, Programa Alimentario, 70 y Más, other programs for elders, Programa de Empleo Temporal (2010), and "other social programs" reported without breakdown. The item of "Other programs for elders" is breakdown between the elders program in the DF, using the household residence place and the elders program in the states.

¹¹⁷ This formula is strictly applied only when the transference does not generate a household realignment. For the most general case it is necessary to include the realignment factor (G'- IC') (Kakwani, 1984). It is also possible to split inequality in a) a vertical component (equivalent to the formula above), b) one of horizontal inequity, and c) one of realignment (Aronson et al., 1994).

To estimate the distribution of transferences in kind —the educative services and of health— the information on public schools attendance information was used by educative level and of the institution attended in health services, imputing the users the mean value of service received from the provision cost reported in the Federal Public Account and the state expense estimated in these services. In the educational case, the state expense is estimated from tuition under state control and the state expense data reported by the Ministry of Public Education (Main Figures School Cycles 2007-2008 and 2009-2010). In the health case the states expense was taken reported in the Health National and State Accounts System released by the Ministry of Health.

To estimate the distributive incidence of energetic subsidies, the information on households expense on power, gasoline and diesel, public transportation and LP gas reported by the ENIGH, was used, as well as the subsidies in these assets reported by CFE, SHCP and Pemex, accordingly. In the case of subsidies to automotive fuels it is taken into account the use of fuels in public transportation in addition of private transportation, according to the reported proportions in the Tax Expense Budget 2008 released by the SHCP

In the case of residential electric subsidy, estimation is more complex since 112 different tariff structures are applied, depending on the consumption level, the season of the year and the geographic area of the country (for more methodology details, see Annex 5 in Komives, Johnson, Halpern, Aburto and Scott, 2009).

The subsidy to employment is estimated from the corresponding tabulation on the corresponding IRS Law 2008 and 2010, applied to the salary income of the formal workers (with SAR or affiliates to one of the social security institutions).

School tuitions deductibility, introduced in 2011 and included herein comparatively, was computed from data presented in the Economic and Budgetary Research Center (Centro de Investigación Económica y Presupuestaria) (CIEP), 2011, "Deductibility on tuitions".

Distribution of grants to the pension systems in the social security (IMSS, ISSSTE) is defined as a function of the distribution of survivors reported to these systems, because the ENIGH does not report directly to the institutional origins of income per pension.

It is important to clarify that the imputation of monetary values of the transfers to households is only necessary to estimate measurements for progressivity of the absolute expenditure items added, and the redistributive effects of the programs (that are not reported here). However, estimations of the



distributions by deciles and IC for money transfers and in kind in the expenditure items and specific programs can be directly interpreted as the distribution of transfers received, services used or right-holders to social security, therefore, the validity of the estimates of absolute escalation submitted for these specific categories does not depend on the methods used for imputation of monetary values.

I. Note on PROCAMPO benefits

Chart AllI.1

I.1 Concentration coefficients for the redistributive public expenditure, Mexico 2008-2010



Source: Calculations of Scott, John from ENIGH 2008 and 2010 and Public Account 2008 and 2010. * Deductibility of tuitions was Introduced in 2011, and calculated from the data presented in CIEP, 2011, "Tuition Deductibility".

Is included as a reference but is not taken into account in the calculation of the coefficients of total concentration.

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There are two relevant data sources to assess *PROCAMPO* benefits distribution in the national level and its evolution throughout time: ENIGH and the beneficiary census of administrative basis released by SAGARPA (ASERCA). These sources allow analyzing various aspects of this distribution, but each with important limitations.

ENIGH allows observing the transferences distribution of *PROCAMPO* among the country households ordered in function of income, thus, it is directly comparable to the other items in the public expenditure which are analyzed from the same source. However, given the coverage and distribution of the program, which concentrates a significant portion of its resources in a small fraction of producers increased, the ENIGH captures this program with an error of important measurement and with a bias: overrates its progressiveness by not capturing adequately the profits concentrated in the producers and higher-income households.

Administrative databases, on the other hand, allow observing the distribution of benefits among the producers beneficiaries of the program ordered depending on the size of their land registered therein. This database is, therefore, in principle perfectly representative of all beneficiaries, but is not directly comparable with the data of the ENIGH, because that represents producers instead of households and sorts them by size of land instead of the income.

The ENIGH allows us to obtain the following key findings on the distribution of *PROCAMPO* at the household level and people of the country:

- a. The mean distribution of *PROCAMPO* throughout its history it is moderately progressive, with a mean concentration ratio means -0.16 in 1994-2010.
- b. Between 2006 and 2010 the ENIGH shows a significant increase in the degree of progressivity of the program, from a concentration ratio close to 0 in 2006 to a clearly progressive distribution. Despite its size, this change was not statistically significant (95 percent).
- c. The distribution by percentiles shows that in contrast with 2008, in 2010 the ENIGH does not show a concentration of important benefits in the upper five percentile of the distribution. This may in part reflect a change in the rules (dimensions 100 hectares per beneficiary) and implementation (review of the voter registration list) of the program, but it can also be a measurement error, not to capture the small group of adult beneficiaries. It is also possible that because of security problems



it has reduced the willingness of these beneficiaries to report the actual amounts of their income and transfers received.

The administrative databases enable you to get these conclusions on the distribution of *PROCAMPO* among agricultural producers of the country:

- a. *PROCAMPO* It is distributed fairly regressive between producers beneficiaries: with concentration ratio of around 0.5-0.6 in 1994-2010. 10 percent of producers with more land concentrate 45 percent of the benefits of *PROCAMPO*.
- b. Consistent with the observed in the ENIGH and recent reforms to the program, the regressivity of the program has been reduced in 2009-2010 (0.53 -0.50) (and before that in 2007-2008 and especially in 2001-2002), although this reduction is much more modest than what the ENIGH reported.

Given the differences stated in the data sources, for the Evaluation Report on Social Development Policy in Mexico two types of results were separated, thus the comparative charts of the programs concentrated coefficients are based on ENIGH reporting only the concentration coefficient of PROCAMPO in this same source.
Annex IV. Overall assessment of the performance of social development programs

See CD attached.

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