

Change and social policy in Mexico: insights from ideational institutionalism

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Resumen

En México, el gobierno federal ha implementado un modelo anti-pobreza de corte neoliberal en las últimas décadas. El mantra de este paradigma es orientar la ayuda a los extremadamente pobres; instituciones federales se han creado para lograr este objetivo. Según el modelo de path dependency, una vez establecidas ciertas políticas públicas, la inercia institucional puede generar una dinámica propia que tiende a descartar alternativas. Sin embargo, una reforma significativa en la forma en la que pobreza se define y mide se llevó a cabo a nivel federal. En el centro de esta reforma, hubo una lucha entre distintos actores políticos clave por definir el curso adecuado para combatir la pobreza. Al observar el papel de las ideas en el proceso de cambio de políticas sociales, este documento propone que esto constituye un factor clave para entender dicho proceso en México.

Palabras clave

- políticas antipobreza
- Ideas políticas
- programas
- neoliberalismo

Abstract

In Mexico, the federal government has implemented a neoliberal paradigm for tackling poverty over the last decades. The mantra of this paradigm is targeting aid to the extremely poor, and federal institutions were created to accomplish this aim. According to path dependency model, once institutions are set to implement policies, bureaucratic inertia can generate a dynamic of their own that may eventually rule out alternatives. Nonetheless, an important reform in the way poverty is defined and measured was just implemented at federal level. At the centre of this reform, there was a struggle over the appropriate course of action to tackle poverty among key policy actors. By looking at the role of policy ideas in the process of social policy change, this paper proposes that this constitutes a key factor to understand such process in Mexico.

Key words

- anti-poverty policy
- policy ideas,
- CCT programmes
- neoliberalism

JEL Classifications: I38, I380, I300, I320

Introduction

The 1980s was a decade of profound policy change. The arrival of a new political elite was a driving force behind the implementation of neoliberal paradigm in Mexico. The Mexican federal government has followed this paradigm to tackle poverty since then. One of the main ontological beliefs at the core of this paradigm is to provide social assistance only to the extreme poor. Accordingly, the main anti-poverty programme is a conditional cash transfer programme (CCT) focused on extreme poor families with school-age children. Targeting mechanisms are thus essential to implement this programme, which requires identifying and counting the poor. In 2002, the federal government established an official definition and measurement of poverty, which marked the consolidation of the neo-liberal paradigm in the social policy realm.

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poor); and (4) specific instruments or detailed decisions concerning the application of mechanisms (for instance, the specific value of a poverty line, such as 50 percent of a median income in a given country). Policy paradigms thus enclose the structured intellectual background prevalent in a given policy regime (Campbell, 2004).

Finally, policy programmes constitute the materialisation of policy ideas; they are implemented or institutionalised “policy prescriptions” or “strategies” (Campbell, 2004: 98). Since policy programmes synthesise the goals and main policy prescriptions in a given policy regime, they are often “the key dependent variable for institutionalists” that analyse the role of policy ideas in policy change (Campbell, 2004: 98). Indeed, in order to spot the dominant ideas that prevail in a given policy regimen, the main source to look at is policy programmes, as they are infused by its policy goals, objective and forms of actions prevailing in it.

2.1 Competition over authority as factor of policy change

Power struggles are always present and latent in policymaking. The participation of multiple and different actors in any policy and political process leads to the existence of conflicting policy ideas among them. Rochefort and Cobb (1994) observed that policymaking is essentially “a struggle over alternative realities” (*Ibid*: 9). Actor-based ideational approaches allow us to better understand the role of this struggle in policy change. Genieys and Smyrl (2008a; 2008b) depart from the notion that “policy change as an evolutionary process”, which is product of the conflict among state elites. Overall, they “suggested that neither functionalist imperatives nor objective interests provide a sufficient explanation for the behaviour of policy relevant actors”, who may eventually wish to alter the institutional and policy system in which they are in (Genieys and Smyrl, 2008b: 9-10).

In this line of thought, the actor-based approach proposed by Hassenteufel et al (2010) is based on three dimensions, which are the following. Firstly, “actors need resources to influence public policies. Institutional position, legitimacy, strategic capacity, and expert knowledge are among the most relevant resources for policy-making capacity” (Haseenteufel *et al*, 2010: 528). The second dimension refers to new policy ideas themselves. Authors refer to this dimension as a particular reform program. The third dimension is motivation, or purpose. As mentioned before, policy actors pursue more than material gains or the reassertion their identities: “They are also engaged in the competition for legitimate authority, which is a permanent incentive for policy innovation largely because of the perceived prestige that comes from being the ones that shape policy” (Hassenteufel *et al*, 2010: 528). Accordingly, the central claim of this approach is that “the struggle among a relatively small

adverse circumstances, former President Miguel de la Madrid, accompanied by young elite, started a new presidential term in 1982. This new policy elite has often been labeled as politicians technocrats, characterised for having a graduate degree from a foreign university, especially from famous American universities, and with important old-school ties with foreign banks and multilateral institutions (Babb, 2002). This “technocracy” can be also seen as a programmatic elite that implemented a comprehensive policy plan. Indeed, the arrival of technocratic group into power marked the beginning of huge economic reforms and a shift in the provision of social protection for the population (Camp, 2003).

These structural changes were part of the introduction of a neoliberal paradigm in Mexico. Neo-liberalism is commonly “understood to rest on five values: the individual; freedom of choice; market security; laissez faire, and minimal government” (Lerner, 2000: 7). Overall, the policy prescriptions emanated from this paradigm focused on expanding role of the free market, enhancing economic efficiency and international competitiveness, which have been promoted by the Washington Consensus.³ In accordance with the new economic paradigm, the social policy approach was redefined. This change implied that this government started leaving behind the apparent attempts of previous governments to provide a minimum social base for all Mexican citizens (although this aim was unfulfilled), based on universal education, compensatory policies and some universal subsidies (Brachet-Márquez, 2004; 1994). The Mexican state thus retreated from its role of welfare provider to its citizens, as it happened in other Latin American countries (Haagh, 2002).

In this context of dramatic change and economic difficulties, people from the same political elite managed to keep power in the 1988 federal election. In fact, the ruling technocracy, in particular U.S.-trained economists, “whose views emerged during the De la Madrid administration”, “were promoted to top policy positions during the subsequent administrations of Carlos Salinas (1988-94) and Ernesto Zedillo (1994-2000). Thus, in the ensuing years, Mexico’s free-market policy path was consolidated” (Fourcade-Gourinchas & Babb, 2002: 561). In the case of social policy, the following government introduced a new anti-poverty programme, which marked the beginning of a new paradigm to address poverty. In the next sub-section, the evolution of this programme is briefly discussed.

3.1 The CCT strategy

In 1988, President Carlos Salinas de Gortari was elected in a highly controversial election, which casted serious doubts about the legitimacy of his electoral victory.

³ Nonetheless, neo-liberalism has several conceptualisations, and the implementation of its principles varies across different countries or institutional settings (Albo, 2002; Lerner, 2000).

In order to determine a poverty line, the Committee adapted the Basic Food Basket (BFB) developed by INEGI-CEPAL⁶ for Mexico (INEGI-CEPAL, 1993). The BFB is a normative basket that a priori establishes the minimum number of units of energy (calories) and proteins that one individual needs per day in rural and urban areas, and includes basic food products, following actual consumption patterns, that fulfil those minimum nutrition requirements. It is important to note that the characteristics of the basket, that is, the number, quality, quantity of goods and services classed as essential or basic, determines the establishment of a broader or narrower poverty threshold. Accordingly, the technical decisions made to choose a given basket of good has huge policy implications.

Based on this methodology, official poverty data were made widely available in Mexico from 2002. In this year, the federal government started to publish official poverty rates for the overall population (without identifying specific groups, such as children) in official documents and on government web pages. The Mexican federal government thus tried to show that the decision about who deserves to receive social assistance was based on a technical procedure and not on the whimsical decisions of public servants. However, this definition and measurement of poverty has had its critics. In fact, the debate around the poverty definition and measurement has reflected an intense debate among different actors in Mexico. In the following section, this point is further discussed.

4. The battle over the definition of poverty

During 1980 decade, the arrival of a new political elite was a driving force behind the change of the social policy paradigm in Mexico. As mentioned before, a neoliberal paradigm was well established in the following decade. Fox’s administration openly embraced Oportunidades programme, which also enjoyed international recognition, especially by the World Bank and the IADB. In other words, this paradigm was institutionalised at federal level. However, important changes registered in the last decade. These changes were not stimulated by a “radical institutional change nor of a significant alteration in social demand for policy” (Genieys and Smyrl, 2008a: 76). The main impulse came from a different source.

Changes in the social policy realm occurred in particular political context. In 1990s, electoral competition notably increased in Mexico, especially at local level. In 1997, the main Mexican leftist party (PRD, Democratic Revolution Party in English) took power in Mexico City, the capital of the country and one of the most populated

⁶ INEGI (the acronym is Spanish for Instituto Nacional de Estadística y Geografía) is the institution responsible for collection of the national statistical data. CEPAL is the Economic Commission for the Latin American and Caribbean region of the United Nations.

In this context, the congress became scenario of the discussion of new policy ideas concerning the definition of poverty in Mexico. Between 2000 and 2003, within the Chamber of Deputies and the Senate, members of the three main political parties (PAN, the right-wing; PRD, left-wing; and PRI, the former ruler party at federal level) launched their proposals to regulate the design of social development programmes (Valverde, 2004). These proposals were the basis for the General Law of Social Development (GLSD) (*Ley General de Desarrollo Social*, in Spanish) which was published in 2004. One of the most important features of this law was the inclusion of new guidelines to measure poverty, which replaced the previous methodology. This replacement constituted a significant change in the way poverty was defined and measured, and which underpinned the potential inclusion of other social policies apart from focalised or CCT programmes.

This law materialised after an intense debate. There were however important coincidences between the proposals of the PRD and PRI (Valverde, 2004). One of the main advocates and author of the proposal promoted by the PRD was Julio Boltvinik, who was member of the federal congress between 2003 and 2006. In general terms, these two political parties (PRD and PRI) advocated for a law inspired in a human-rights based approach, in which government has the responsibility for guaranteeing social rights, while the right-wing party's proposal was essentially based on neoliberal approach in which focalisation was preferred as the principle to design social policies (Valverde, 2004; Boltvinik, 2006).

At the end, the GLSD acknowledged the universality of the social rights of Mexicans, which are also enshrined in the Mexican constitution. The social rights recognised in the GLSD are: education, health, nutrition, housing, the enjoyment of a healthy environment, employment, social security and non-discrimination. The law also established that one of the objectives of social policy is precisely to promote the conditions that ensure the enjoyment of social rights of individuals and groups. In addition, the GLSD established the creation of an independent organisation devoted to applying the official criteria for measuring poverty in Mexico. This organisation was created in 2005 and is called the National Counsel for the Evaluation of the Social Development Policy (*Consejo Nacional de Consejo Nacional de Evaluación de la Política de Desarrollo Social*, CONEVAL, in Spanish).

As far as the measurement of poverty is concern, the GLSD included a multi-dimensional perspective of poverty, which became the basis for a new official methodology for measuring poverty in Mexico. This methodology includes several indicators, apart from income, such as access to education and healthcare services, social security, access to food, and quality of housing, and the degree of social cohesion. According to this new methodology, a person is considered to be

determine if the aforementioned decree was constitutional, or whether it violates applicable laws. This initiative was backed by the main left wing political party (PRD) and the PRI; actors within these parties manages to build a political coalition to promote this controversy.

At the end, the Supreme Court finally favoured the position of the Federal government. Therefore, the decree to regulate the GLSD was endorsed. The main argument behind the Supreme Court’s decision was that although social rights are universal, actions to address them are inevitably targeted (de la Torre, 2008). Thus, the performance of this veto actor at the federal level (the Supreme Court), played a critical role in determining the final phrasing of the regulations related to the definition of poverty (and the appropriate policies to tackle it) in Mexico.

5. An ideational approach to understand social policy change in Mexico

As pointed out along this paper, the existence of conflicting policy ideas held by contending policy actors provided us key insights to understand policy change in Mexico. This brief account of the evolution of anti-poverty policy at federal level informs about the role of the conflict among different key policy actors. In particular, this study shows the existence of two contending groups; one of these wished to alter the current policy system (e.g. neoliberal paradigm), while the other supported the status quo. These two groups contending over the definition of poverty seemed to fulfil the main conditions which enable them to encourage change or continuity: resources (mainly access to power, but also coordination at given juncture), to be integrated around specific policy ideas, and the purpose to gain authority. Indeed, the struggle over authority to determine the adequate definition and measurement of policy was a key factor of policy change in Mexico.

Overall, the introduction of a multidimensional measurement of poverty shows that the actions of contestants of the dominant neoliberal paradigm successfully advanced new policy ideas. Nonetheless, this battle has developed in given institutional and political context. One of the main features of this political context is the increasing political competition at federal and local levels. In particular, since 1997, the ruling party has lost the majority in the congress. Additionally, the left wing increased its political weight within the congress during these years, in particular between 2000 and 2006. The special juncture provided a favourable scenario to pass the GLSD, as well as to promote a constitutional controversy by the PRD and PRI, which that defy the policy ideas backed by the Executive. However, other political factors intervened in this struggle during the formulation and implementation

6. Concluding remarks

The way poverty is defined is an important indicator the nature of the policy solutions implemented to tackle this problem. Accordingly, changes in the definition of poverty have significant policy and political implications. This brief account of the evolution of the poverty paradigm in Mexico allows us to observe that some reforms have taken place during this time. The arrival of new policy actors into key positions within the federal and local governments, in particular Mexico City, who held different ideas, supported a new approach for defining and measuring poverty at federal level. This change can be considered to be rather modest in practical terms, as it does not imply a radical change of the neoliberal paradigm at federal level. Nonetheless, this is a relevant change in the way poverty is defined and measured in Mexico, and which proves that dissident voices within the government can encourage important reforms.

Furthermore, this account of the evolution of anti-poverty policy in Mexico informs about the role of the conflict among different policy actors as a key factor to explain of policy change and continuity. However, this battle has evolved in specific institutional and political contexts. At federal level, at the beginning of the nineties, two different groups disagreed over the best approach to tackle poverty. At the end, the technocratic group won the battle. In this case, this group effectively act as programmatic elite. In the following years, the neoliberal paradigm was consolidated at federal level. Nonetheless, along with the increasing political pluralism at federal and local level, new key political and policy actors emerged, particularly at local levels, who have defied the prevalence of such a paradigm.

In short, the evolution of social policy seems to be pushed in an important degree by the conflict among state elites. Further research is needed to elucidate the extent in which particular groups of actors can act collectively as programmatic actors, as proposes by Genieys and Smyrl (2008a; 2008b) in the context of Mexico. Following these authors, in Mexico, the implementation of a comprehensive social policy reform may involve not only power but the eagerness and political will to effectively fight to implement new policy ideas.

