

POLICY BRIEF **01.27.20**

Conditional vs. Unconditional Antipoverty Programs in Mexico

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INTRODUCTION

In the last 20 years, cash transfer programs have emerged as a leading antipoverty policy tool in the Global South.¹ The transfers consist of direct money payments to poor families. Antipoverty programs are classified as targeted, or means-tested, because families must fall below a certain poverty threshold to be eligible for the program.

A key policy debate surrounding such programs is whether targeted cash transfer programs should include conditionalities—conditions that beneficiary families must meet to continue receiving the desired transfers.² Many cash transfer programs implemented in Latin America in the last two decades have incorporated such conditions. Such is the case with Mexico as well. Since the late 1990s, Mexico was in fact lauded as a social policy pioneer and global leader in designing and implementing a conditional cash transfer (CCT) program on a national scale. The Mexican CCT program was initially named *Progresas*, but eventually changed its name to *Oportunidades* and finally it became *Prospera*. Whenever possible, an adult female was required to be the head program participant in each beneficiary family, and this person ultimately was responsible for fulfilling the program conditions. The exact conditionalities in the Mexican CCT program changed over time, but generally included the human capital investments of attending school, having periodic health checkups, and attending nutrition workshops. Many

countries, in and beyond Latin America, followed Mexico's lead and adopted a similar CCT program, including both the use of cash transfers and the use of conditionalities.³

Many studies have analyzed the effects of Mexican CCTs in recent decades, focusing primarily on the consequences of program participation for poverty, health, and education. Most of these studies uncovered that CCTs have positive effects on basic service utilization and/or human development.⁴



RECENT POLICY CHANGE IN MEXICO

Under the administration of President Andrés Manuel López Obrador (2018–2024), the Mexican government has transformed its CCT program by eliminating almost all conditionalities. The remaining programs, such as the *Becas Benito Juárez* (Benito Juárez Scholarships), provide public education scholarships for secondary students. But the programs no longer are means-tested; and families do not need to demonstrate that they are poor in order to be eligible for education scholarships. Also, although continued school enrollment still is a requirement for receiving the government transfer, strict school attendance requirements and other conditionalities along the same lines have been eliminated. The stated reasons for this major antipoverty policy shift were to reduce corruption among program officials,

Mexico's government has eliminated almost all conditions that beneficiary families must meet to receive cash transfers.

remove unnecessary burdens for adult female beneficiaries, and prevent the abuse of vulnerable families.⁵

Because policy changes to Mexico's antipoverty programs are relatively recent and the remaining Becas Benito Juárez program is still in its infancy, the consequences of the policy changes are not yet known. It may be the case that the policy changes have the intended consequences of increasing human development and reducing corruption and abuse of poor families—something not yet clearly defined by the López Obrador administration. A key determinant of these consequences will be how the program is implemented over time. Despite this uncertainty regarding the future, the fact remains that nearly all conditionalities have been removed from Mexico's antipoverty program after over 20 years in existence. Future studies must focus on the return on investment, if the most important change has been the removal of conditions.

Previous studies show that conditionalities have a positive effect on the intended human development goals.

NEW RESEARCH ON CCT CONDITIONALITIES IN MEXICO

In an article published by the author of this brief in the *Latin American Research Review*,⁶ the effects of Mexico's CCTs prior to the removal of the conditionalities component are examined. Using original survey data from Mexico, the author conducted a comparative policy analysis to assess the effects of specific CCT program components on political and civic participation—two desirable positive effects of these programs. The study finds that conditionalities boost participation in multiple political and civic activities, including contacting public officials, community activism, and civil society engagement. Moreover, the pathway from CCT conditionalities to increased political and civic participation involves the development of civic skills. In the study, it is shown that adult beneficiaries exercise and develop more civic skills while they are working to fulfill the required conditions. The improved civic skills reduce the costs of political and civic participation

among program beneficiaries and boost their involvement in multiple modes of political and civic activity.⁷ In the end, this is considered a positive effect as recipients learn political skills and engage the political system, something which makes them more effective citizens.

The results of the aforementioned study strongly suggest that CCTs, and specifically the conditionalities component, have important consequences for democratic citizenship among poor adult beneficiaries. Although impoverished adults in Mexico may have limited opportunities to develop civic skills through formal education or employment, conditionalities create regular opportunities for poor adults to attend and participate in meetings, set up appointments, write letters, and ask for clarification or assistance. They may also organize better to defend their interests vis-à-vis government action on their benefits. Thus, based on the estimated results, conditionalities boost civic skills by nearly 30% for the average respondent. As for political and civic participation, conditionalities increase contacting public officials by 26%, community activism by 28%, and civil society engagement by 21%.⁸ Taken together, CCT conditionalities prepare poor adults for democratic engagement and spur them to become more involved in a wide range of democratic political and civic activities. CCT conditionalities thus create better democrats.

The author's recent study focuses on analyzing conditionality effects for adult CCT beneficiaries, so the conclusions are unable to estimate the corresponding effects on youth CCT beneficiaries. But it is likely that Mexican CCTs have impacts on the democratic citizenship of youth beneficiaries as well, and it may even be the case that the effects on children are larger. After all, some children have spent nearly all their lives as beneficiaries of CCT programs, and they have witnessed increased democratic participation by adults in their household. The modeling of democratic engagement in the home, along with the potential passing down of democratic values, may spur increased democratic participation among youth CCT beneficiaries as they enter adulthood.

An important inference of the study and its conclusions, therefore, is that by eliminating conditionalities on cash transfer programs, the Andrés Manuel López Obrador administration may be depressing the political and civic skills of program recipients. Such outcome is hardly desirable, if the goal of a democracy is to increase citizen participation in political and civic activities and create greater awareness of the relationship between government and voters.

POLICY RECOMMENDATIONS

Based on the results of the author's study, three main policy recommendations can be advanced. First, the Mexican government should revise its antipoverty programs to create more opportunities for poor individuals to exercise and develop civic skills—and that may mean returning the conditionalities to the reception of the benefits. While it is unclear if recent antipoverty policy changes will contribute to increased human development among poor families, the evidence is more straightforward regarding the consequences of conditionality removal for civic skill development. The overhaul of the CCT program has created a large void for civic skill opportunities among the poor in Mexico. If the Mexican government wants to continue developing skilled and active democrats among the poor, then it needs to create opportunities for the regular exercise of civic skills. If conditionalities are not desirable as a matter of policy preference, perhaps a substitute can be implemented—one proven to have a positive effect on political and civic skills.

Second, because the dismantling of the CCT program in Mexico creates a unique opportunity to study the effects of policy change and conditionalities, the Mexican government should hire an independent research group to collect extensive subnational- and individual-level data on poverty, health, education, and democratic citizenship. If more data is collected and made publicly available, then researchers will have more leverage to estimate the

corresponding effects. The time to begin this investment in data collection is now. As more time passes, the challenges to estimate the causal effects of policy change grow. If this is done soon, estimating the effects of conditions on cash transfer programs can be studied and the question of the utility of conditionalities can be resolved more effectively.

Third, as policymakers and international funders decide whether to use conditional versus unconditional cash transfers throughout the world, they must consider the potential consequences for democratic citizenship—as should Mexico in future programs. Clearly, the effects of antipoverty policies on poverty, education, and health need to be considered in the cost-benefit analysis. But the democratic engagement consequences also must be a part of the overall equation for selecting antipoverty policies. After all, skilled and active democrats provide crucial information for the improvement of government services and ultimately create more favorable conditions for long-term poverty alleviation.

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ENDNOTES

1. This policy brief is based on Gregory S. Schober, "Conditional Cash Transfers, Resources, and Political Participation in Latin America," *Latin American Research Review* 54, no. 3 (2019): 591–607, <http://doi.org/10.25222/larr.143>.

2. See Cesar Zucco, Juan Pablo Luna, and O. Gokce Baykal, "Do Conditionalities Increase Support for Government Transfers?" *Journal of Development Studies*, February 18, 2019, <https://doi.org/10.1080/00220388.2019.1577388>.

3. Ariel Fiszbein and Norbert Schady, *Conditional Cash Transfers: Reducing Present and Future Poverty* (Washington, D.C.: World Bank, 2009), <https://doi.org/10.1596/978-0-8213-7352-1>.

4. Ibid.

5. Stephen Kidd, "The demise of Mexico's Prospera programme; a tragedy foretold," *Development Pathways Blog*, June 2, 2019, <https://www.>

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6. Schober, "Conditional Cash Transfers," 2019.

7. Ibid.

8. Ibid.

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