POVERTY AND SOCIAL POLICIES IN THE UNITED STATES OF AMERICA AND MEXICO:

The cases of Washington D.C. and Mexico City

Martha Schteingart

Why Mexico and the United States?

This paper is an initial attempt to offer a comparative view of poverty and social policies in the United States and Mexico, with an emphasis on the status of these issues in their respective capital cities. In general, few such comparisons have been made, especially between Northern and Southern countries and cities; yet, these comparisons are helpful in a number of ways. First, they can offer a different perspective on what is occurring within each society, which could lead to conclusions that might not have emerged otherwise. Second, a particular set of relations exists between Mexico and the United States that could influence the type of poverty and the social policies in these countries. This refers both to Mexico's economic dependence on the United States--which, to a certain extent, exacerbates poverty and fuels the deterioration of working conditions for large segments of the population--and to the price the United States pays for its dominance, in the form of the migration of Mexicans into the country, the manner in which Mexican immigrants position themselves in the labor market, their location in the cities, and their access to government benefits.[1] In addition, many U.S. social policies, their most recent modifications, and the model of society that sustains them have influenced the policies that Mexico is trying to implement.

This study is based on the literature on poverty and social policies in each of the two countries and on independent research conducted in Washington, D.C. and in Mexico City's Metropolitan Area. It should be made clear that this paper does not attempt to make a rigorous comparison between the two cases.

[1] The paradox today is that with economic globalization and increased mobility, the interdependence of citizens of different countries has increased, but the ability to exclude "marginalized" individuals from having access to previously shared goods has also risen (Jordan 1996).

In spite of the fact that few analyses of this type have been made, and that this field of research has not been sufficiently developed to make more detailed comparisons (Oyen 1996), we believe it is possible to establish some similarities and differences and to arrive at some conclusions that may prove helpful to more in-depth studies in the future.

Poverty: Definitions, Measurement Methods, and Debate

Two major trends can be found in poverty studies: one can be placed within "social engineering," and the other is sociostructural. The former is more closely linked with administrative and policy issues and involves the measurement of poverty. This view tends to isolate poverty from the wider social structure and to explain it as a problem that can be addressed through social policies. Here, poverty is a normative concept and is understood as a social condition that requires some improvement of the groups involved. The second view is more concerned with social institutions and those processes through which poverty is created and reproduced. The social sciences perspective deals with income distribution or welfare as a continuum, taking into account a range of situations within the social structure (Mishra 1996)[2] while the structural orientation has been developed more thoroughly by historians, political scientists, and sociologists, the other form of analysis has been preferred by economists.

[2] Some authors emphasize that poverty is part of a socially created hierarchy and that conflicts arise when income is transferred to the poor through public assistance policies. These policies can produce changes within the hierarchies, which is feared by those groups not classified as poor. Likewise, it has been proposed that in order to have a functioning economy, a certain level of poverty in society is required, given that poverty forces people into low-paying, but needed jobs (Gans 1973, cited in Oyen 1996).

In the United States there is great interest in measuring the so-called "poverty line," which is linked, to a certain degree, to the debates and differences between conservatives and liberals regarding public assistance. While the former defend tight policy restrictions and a lower poverty line, the latter advocate more aid to the poor and a higher poverty line. Since the 1960s, an official poverty line has been set in the United States based on the cost of a basket of basic needs and the intake of minimum nutritional levels. In 1955, it was calculated that an average family spends one third of its income on food; therefore the total value of the basket was determined by multiplying expenditures on food by three. However, this calculation was not updated to take into account subsequent changes in consumption patterns. Using this method, poverty, in absolute terms, decreased from 19 percent of the total population in 1964 to 11 percent in 1973, increasing once again in the 1980s, and reaching a high of 15.2 percent in 1983 (this figure has declined slightly since then, but has remained at levels above those of the 1970s.) Nevertheless, according to relative measurements of poverty (which sets the poverty line at 50 percent of the average income), percentages are higher and have been increasing constantly (18 percent in 1972, 19 percent in 1982, and 19.5 percent in 1988 [Ruggles 1990]).[3]

According to this data, the United States has the greatest percentage of poor people within the developed or highly industrialized countries. Furthermore, poverty has persisted, and even increased, in spite of the fact that

[3] Critics of the official poverty line method point out that poverty is a social and not a physical condition and, therefore, the minimum consumption of a family is a relative concept and should take into account changing consumption patterns of food and other goods by society. In fact, they allege, the official line has been falling as a percentage of average household income and, as a result, the "poor" represent a smaller share of the population, living in conditions that are increasingly different from those experienced by the average family. (Ruggles 1990).

large sectors of the society believe that much has been done to combat it. Since President Johnson declared "the war on poverty" in the 1960s, this problem has become an important issue in U.S. politics and among academics. In line with the sociostructural trend, which places conflict at the center of analysis, the reason why poverty persists in the United States can be found in the distribution of power and in the ability of those who hold it to use political institutions for their own benefit. Therefore, the fact that many American poor do not vote and that labor unions are in decline helps explain the persistence of poverty and dispel the myths surrounding U.S. poverty alleviation policies (Katz 1986; Weir, Orloff and Skocpol 1988).

In Latin America, the debate concerning poverty and its measurement began much later, around 15 years ago, within the context of the severe economic crisis that affected the countries of the region, with the development of adjustment policies to reduce spending and balance public finances, and as a result of the strong influence of neoliberal ideas and policies. While many theories regarding dependency, modernization, and marginalization were generated and debated by Latin American intellectuals throughout the 1950s and 1960s, academic interest in the 1980s was more oriented toward poverty measurement and discussions on poverty alleviation policies. These policies were heavily influenced by international organizations, such as the World Bank and the Inter-American Development Bank, which have shaped the debate to a certain extent (Golbert and Kessler 1996).[4] Thus, although poverty in Latin America has been a chronic problem, involving broad segments of the

[4] Probably the crisis of paradigms, the fall of the socialist block, and the strengthening of the neoliberal ideology, that sought to address poverty through measures aimed at the poor, have complicated theoretical development and the proposal of more structurally oriented analyses, such as those put forth in previous decades.

population for many years, interest in measuring and addressing it is a recent phenomenon. Evidently, the rise in unemployment and the expansion of the informal sector of the economy, combined with the decline in workers' real incomes, have had a dramatic impact on the increase in poverty, particularly urban poverty, which has risen more sharply over the past few years.

In Latin America, in addition to the poverty-line method, that is also applied in the United States, the Unmet Basic Needs (Necesidades Básicas Insatisfechas--NBI) method is used as well.[5] The NBI takes into consideration access to a minimum standard of housing, basic services, education, and health. The evolution of poverty has varied according to each method, given that both imply different ways of perceiving this phenomenon. In the case of Mexico, there are no series of NBI poverty indexes; yet, using the poverty-line method, the percentage of poor dropped from 72.6 percent of the population in 1968 to 48.5 percent in 1981, and increased throughout the 1980s until it reached 66 percent of the total population in 1992 (with 58.5 percent in 1984 and 64 percent in 1989 [Boltvinik 1995]).[6]

[5] The food-based version of the poverty-line method (which considers only a Standard Food Basket), a variant that underscores malnutrition or hunger while gauging extreme poverty, has also often been applied in this region. Nevertheless, there are differences with respect to how the need for basic nourishment is considered; furthermore, it has generated criticism because the poor not only have to feed themselves, but also have to fulfill other basic needs (Boltvinik 1997).

[6] However, it can be assumed that the level of poverty according to NBI has declined given that the percentage of houses with running water, sewer systems, and electricity, as well as the quality of these houses (variables included in the definition of poverty according to NBI) has increased (Schteingart and Solís 1995). This decrease in poverty can also be observed in other Latin American countries where poverty levels are measured according to NBI (as, for example, in Colombia). It must also be made clear that there are different ways of applying the poverty line method, and this has led to diverging figures on the percentage of poor and the indigent in Mexico. Perhaps the greatest divergences are between the numbers presented by the official sector and by independent researchers (see Escobar Latapí 1996).

Even though common trends can be found in the 1980s that show an increase in poverty in both countries, it is obvious that in U.S. society, the size of the so-called poor sector, based on income levels, is much smaller than in Mexico.

It is important to understand who the poor are in both countries, particularly with respect to work. Statistics show that the poor in the United States are primarily those who, because of age, physical limitations, or family situation, cannot work. In Mexico poverty affects different age groups and also significantly affects people who work. However, the situation has been changing in the United States and is now becoming more like that which we find in Latin American countries. There has been an increase in poverty among the white population, and previous wide disparities between the proportion of poor African Americans and poor whites have decreased slightly (the proportion of poor had always been much higher in the African American population). During the 1980s poverty among families headed by working men rose sharply (although the percentage remains small) due to the employment crisis and the increasing difficulty in finding well-paid or full-time jobs (Katz 1989).

The perception of the poor is also different in both countries. In the United States, most of the literature on poverty refers to the poor as people who are different from the rest of the population, and portrays them as responsible for their own situation. Thus, personal transformations are needed to overcome poverty, such as acquiring certain skills or a work ethic (capitalist culture measures people according to their ability to earn money and condemns those who do not prosper [Katz 1989]). Moreover, the idea that the behavior of the poor can be explained by moral deficiencies or a flawed value system is

propagated by the dominant culture (Gans 1995).[7] Few texts on poverty in the United States present the poor as the product of an economic and sociopolitical system that creates inequalities and exclusion. This view of poverty as behaviorally related also exists in Latin America and, in particular, in Mexico, although it is not as pervasive. According to some scholars who dealt with poverty, in the decade of the 1980s very few studies blamed the poor for their own situation (nor was there a tendency to tie poverty to ethnic or racial factors); as a result, structural economic factors are generally agreed upon as the cause of poverty (Golbert and Kessler 1996).

Social Policies: Similarities and Differences

Before turning to general social policy, and to specific policies and programs for the poor in both the United States and Mexico, some ideas concerning the two models, or paradigms, behind the current trends in social policies must be introduced. According to Minujin and Bustelo (1997), one model is based on the most conservative tradition of economic and social policy; it implies an atomized vision of society, in which there is no concern for the distribution of income and wealth, and emphasizes social policies targeted at the poor and the more vulnerable groups of society. These policies, rooted in compassion, include a marginal and temporary use of subsidies to maintain social stability, thus allowing the implementation of market-oriented reforms. The other model, according to the same authors, can be tied to the "Welfare State" tradition and to proposals for social reform, that have prioritized social

[7] The distinction between different or harmful behavior is of prime importance, given that in a multicultural society, punishing different behavior is unacceptable. "In the United States, stigmatizing those citizens whose only offense is that the 'mainstream' population considers them to be culturally repugnant cannot be tolerated" (Gans 1995).

equality and "redistributive justice based on collective solidarity," through the active intervention of a democratic state that promotes the integration of social and economic policies. At the core of this model is the idea that access to productive employment, quality education, and to a series of universal rights and responsibilities is provided by building an "emancipated citizenship."[8]

Social Policies in the United States

According to Katz (1986), the United States is a quasi-welfare state upheld by two different systems: social security and public assistance. In addition to these protective schemes designed to maintain families' living standards, legal restrictions are placed on employers to ensure minimum standards with respect to salaries and working conditions. Also one of the oldest and most widespread forms of protection in the country has been the public education system.

In contrast with European countries, the United States has a fragmented social policy that includes incomplete measures, has not achieved universal coverage (particularly in the area of health care), and is spread out among different levels of government--federal, state, local (Jusidman 1996).[9] The welfare system is designed to minimize the use of public funds by those individuals who

[8] Minujin and Bustelo (1997) refer directly to the two models of citizenship (the first called assisted citizenship and the second called emancipated citizenship). The first model can be observed in World Bank proposals, tied to economic adjustment and "open oriented" strategies that are being carried out throughout the region. The second can be seen in the social reforms that took place in certain European countries, such as England and Sweden.

[9] Furthermore, income transfers to the poor and homeless are below the established norms of the OECD (Organization for Economic Cooperation and Development).

can pay for certain goods and services, and it is believed that access to these same goods and services must be fundamentally tied to employment. Therefore, men without children under the age of 65 who earn low wages do not receive significant support from the state (Lustig 1993).

Social security programs include monthly stipends to retirees, unemployment insurance, medical insurance ("Medicare"), and worker's compensation. Although these also cover low-wage earners--for example, retirees and the unemployed--they are directed mainly at middle-class families. The idea is that these beneficiaries have contributed into the program and therefore have "earned" the benefits that they receive. Social security, then, is considered a right for all those classified within certain categories with respect to age, ability to work, and possession of a job, whereas public assistance is tested aid. In effect, there is a welfare system mainly for senior citizens and a residual system for a sector of the population that includes "undeserving" families or individuals. Thus, poverty amidst senior citizens has decreased since the 1960s while poverty among young adults and children stopped declining in the mid-1970s and has increased as a consequence of the reduction in funds channeled into public assistance programs (this will be discussed below in more detail). Although other factors have had an impact on the situation, the importance of the lack of a universal system of rights cannot be underestimated (Mishra 1996). The difference between the two systems means that social security has a preponderantly middle-class clientele and public assistance is directed toward the so-called "undeserving poor," who are considered to be parasites.

Two important moments in history signaled relevant changes in the evolution of social policies in the United States: the Great Depression in the 1930s that broke with the restrictions of the previous system (the greatest economic upheaval in U.S. history) and the powerful social movements of the 1960s, a consequence of the migration of African Americans from the rural south to the large urban centers of the north. In other words, the expansion of social policies, and in particular public assistance, coincided with important moments of social mobilization. In the 1960s, these were tied primarily to the struggle of the African-American population to better satisfy their basic social needs, but also to attain civil rights, a struggle on which the government tried to capitalize in order to broaden its electoral base (Piven and Cloward 1971).[10] Nevertheless, while the advances gained in social security programs were upheld--substantial increases in resources were directed at such programs--the expansion of public assistance programs amounted to a marginal increase in their budgets, which was not maintained once the crisis had been resolved (Jackson 1993).

It has been argued that social security programs have accomplished more than assistance programs in raising people out of poverty. In fact, the numerous assistance programs cannot really be considered as poverty alleviation programs given that they are unable to raise the beneficiaries above the poverty line. Comparative studies show that governments that implement programs targeted

[10] According to these authors, the growing number of poor African Americans in the cities emerged then as a potential political force for the first time, and the changes introduced through the Great Society programs meant that significant sums of money would be used to face problems such as health care, housing, etc., in downtown area ghettos, especially in the large metropolises. However, it also implied actions by the federal government to organize these groups (through Community Action Programs) in order to obtain electoral support for the Democratic Party, then in office.

directly at the poor (residual model of social security) tend to have a larger number of poor (such as the United States and Australia), while countries that have developed mainly universal programs (such as Sweden) do not have as much poverty (Mishra 1996).

Social Policies in Mexico

The development of social policies in Mexico is also marked by two distinct and important periods. During the first, which began in the 1940s and continued until the early 1980s, the dominant concept among political elites was that of the "protective" state; accordingly, an important function of the state was to guarantee the social rights of the population. Within this framework, social policy would play a complementary role to economic policy.[11] A social security system limited to salaried workers employed in the formal sector was developed during this period, and the Mexican Social Security Institute (Instituto Mexicano del Seguro Social--IMSS) was created in 1943. However, the social security programs suffered from fragmentation when, in addition to the Institute, other subsystems were created for public sector employees, for members of the armed forces, and for employees of large semipublic companies.

The social policy developed during this period combined a system limited to salaried workers, based on worker-employer contributions (matched by federal funds), with regulatory mechanisms, price subsidies, provision of goods

[11] This economic policy, in line with import substitution industrialization, attempted to widen the internal market by promoting demand for nationally produced goods through the implementation of a protectionist policy favoring domestic industries.

and basic services (food, electricity, potable water, transportation, etc.), a free and obligatory public education system, and health care for the uninsured (a free public health system, but low in quality and insufficient in scope, designed as a service for the poor [Gordon 1997]).

In Mexico, as in the United States, social policy evolved during moments of great change and advancement and was tied to widespread social unrest. During the 1970s, following the important movements of 1968, a number of institutions, programs, and mechanisms were developed that focused on nutrition, health, education, and housing. In certain instances, they complemented or broadened specific areas of the already existing social security programs, and in others, they addressed social needs and demands not being met by those programs. Programs intended to improve "marginalized" zones, mostly rural, were also implemented during this decade; these programs called for the participation and organization of local communities, mechanisms that became distinctive of poverty alleviation programs starting in the beginning of the 1980s. During the 1970s, the programs targeted specific groups,[12] but they were not intended to replace the broad use of subsidies expressed in reduced prices for goods and basic services (which did occur later [Gordon 1997]).

The second period in the evolution of social policies in Mexico is characterized by the rejection of the goal of income redistribution through social policy and state responsibility in promoting economic growth through protectionist policies. This shift was a consequence of the fiscal deficit and the general economic crisis. A structural adjustment process was initiated that renounced protectionism and stimulated competition, freer trade and foreign

[12] Defining its target population in line with poverty indexes that then referred to "marginality."

investment, while significantly reducing social spending, especially at the onset. Some semipublic organisms were also undergoing a process of privatization at this time. However, these responses to the economic crisis of the 1980s did not completely supplant the earlier social security model. Rather, a series of attempts was made to adjust and rationalize the way in which institutions and social programs were administered and financed. At times these occurred along with the creation of new programs, and at others, with the redirection of preexisting programs or, more specifically, the development of poverty alleviation programs, together with a progressive reduction in, and the final elimination of, mechanisms that used nontargeted subsidies.[13]

The federal government lowered its payments to social security institutions during the 1980s with the idea of eventual complete self-financing through worker-employer contributions. Moreover, reforms were finally introduced within the Mexican Social Security Institute that opened the possibility of having private companies administer pension funds and the subrogation of health care and social welfare provided by this institution (Gordon 1997). The most important mechanism for addressing poverty during this period was the Solidarity Program, created during the Salinas de Gortari Administration (1988-94) as part of the new Social Development Ministry. It was designed to simultaneously combat poverty and regain former levels of official party support from the poor (Dresser 1992). The Solidarity Program emphasized community organization and the role of the poor in solving their own problems

[13] Although universal health care and education systems were maintained, they were decentralized by transferring resources and facilities to the state governments. With respect to nutrition, the broad use of subsidies in food production was tightened to the point that it was limited to just a few programs aimed at the poor (the Liconsa Milk and Subsidized Tortilla programs). This action, which was in response to the privatization of the semipublic sector, was also linked to the goal of eliminating broad use of subsidized prices for basic goods. In the area of housing, FONHAPO was created to finance housing programs for poor families (Duhau and Schteingart 1997).

(through the contribution of monetary funds as well as labor)**;** it can defined as a type of compensatory program proposed by the World Bank to alleviate the effects of the structural adjustment policies that had been implemented in Latin America (Duhau and Schteingart 1996).

Some broad comparative interpretations

If we relate the social polices of the two countries to the trends introduced at the beginning of this section, we could say that although the U.S. system combines aspects of both models, it is much closer to the first. Because U.S. social policy uses public funds, primarily for those who have "earned" them by working, and rations aid to those disparagingly referred to by the dominant sectors of society as the undeserving poor, or the "underclass," it is more individualistic and competitive rather than being oriented toward social solidarity. In Mexico, the policies prior to the massive changes of the 1980s promoted a partial application of the "welfare state" model, given the limited level of economic development, large social disparities, and a barely democratic political system based on "corporativism" and a "clientelistic" relationship between the state and society. Yet, it is evident that the Mexican system has been changing, especially since the beginning of the 1980s, and has been moving away from a model inspired primarily by social solidarity toward one linked to the structural adjustment process and the opening of Latin American economies. The Mexican model is becoming increasingly similar to that of the United States (which was established near the end of the 1960s) in that two systems exist

simultaneously: one based on social security and the other designed to address poverty. However, the type of protection anticipated and the beneficiaries are different for both cases (this topic will be addressed below when poverty alleviation policies are discussed in more detail).

In the United States, programs included within the two systems grant certain entitlements to eligible citizens. As a result, individuals have legal recourse if they do not receive these benefits (Lustig 1993).[14] In Mexico, only those with access to social security have rights while the poor, who do not receive the goods or services provided by the targeted programs, do not have any legal claim to these items. The only recourse is social pressure by organized groups. This explains why in Mexico, in addition to the limitations caused by the discrepancy between the lack of funds and overall economic growth, on the one hand, and the large mass of individuals to be protected, on the other, prevailing conditions do not exist to guarantee the enforcement of social rights or the existence of an honest and effective judicial power. In the United States, on the contrary, these rights are exercised within the framework of a society that is much more economically developed and has greater access to resources. Moreover, the judicial system functions with a relatively high degree of validity and effectiveness.

[14] Nevertheless, according to our criteria, the fragility of these poverty alleviation policies, due in many instances to their impermanence and, as already noted, their cyclical character (Piven and Cloward 1971), imply weaker rights than those provided by social security.

It is also important to point out that the Mexican social welfare system, unlike the U.S. system, covers the construction of basic infrastructure for the provision of social services, such as schools and health care centers, drinking water and sewer systems, electricity, roads, paving streets, and so forth (Lustig 1993). This difference can be attributed, in part, to the fact that the United States has much higher levels of urbanization and more mature urban centers, whereas in Mexico, as far as the urban poor are concerned, cities grow through illegal settlements. These settlements are subsequently regularized by the government, which also must play a part in providing the neighborhood with basic services and facilities.

Social Policies Targeted at the Poor

In the United States, money and other resources are distributed to poor individuals or families through means-tested programs. To be eligible, one must prove that income received does not exceed a certain amount. Some programs are targeted to specific groups within the overall poor population (senior citizens, single-mother headed households, disabled, etc.). The most important programs are those that distribute monthly payments (which vary depending upon family income and the state of residence): (1) Aid to Families with Dependent Children under the age of 18 (AFDC); (2) Supplementary Security Income (SSI), for the disabled and individuals over the age of 65; and (3) General Assistance (GA), for low-income individuals under the age of 65 without children, which is administered by state governments. There are also programs that provide specific goods and services, such as (4) Medicaid, which offers medical insurance for poor children and adults; (5) food stamps, which can be used in specific stores; and (6) public housing or subsidy programs, which allow

poor families to meet their rent payments and pay heating and electricity bills. Those receiving benefits from one program can also apply to others; therefore, a family could receive a monthly package that includes food stamps and medical assistance as well as AFDC.

There are differences among the various types of programs. For example, the federal SSI program, which is targeted at senior citizens, is significantly more generous and receives much higher levels of public support than AFDC, which targets those designated by the more conservative sectors of society as "undeserving." AFDC has been criticized as being responsible for the increase in the number of single-mother headed households (mainly African-American women having children out of wedlock). This criticism comes in spite of the fact that studies have shown no relation between the two. In addition, the amount of aid to AFDC families has been significantly reduced since the 1970s.[15] While the elderly poor have received, according to different sources, increased aid, the U.S. still does not have programs that sufficiently and efficiently support poor children.

Although these are federal programs, eligibility requirements vary from state to state; this implies variations among the groups receiving assistance. One reason is that some state governments furnish supplementary funds, in addition to those allocated by the federal government (as in the case of Medicaid), to help other groups. A less flattering reason includes the recent trend to decrease aid to the needy, which has forced certain states to reduce the number of eligible

[15] Due to the fact that aid granted through AFDC varies widely among the states, it can be seen that in those states where aid levels are higher, the number of such families has not necessarily increased. Likewise, AFDC has been declining for two decades. It is believed that the average benefit distributed by this program for a family of four decreased by 42 percent (after inflation) between 1970 and 1990 (Schram 1995).

persons by applying stricter requirements for entry into the programs. For example, in some states, in order to continue receiving Medicaid or AFDC benefits, recipients must demonstrate that they are participating in work training programs and that there is the possibility of finding employment in the near future; or women may be required not to have any more children; or children must attend school and be immunized (Burtless 1993). Thus, in addition to the decline in benefits for the poor (in the 1980s benefits did not increase in line with inflation and currently have a lower nominal value), there are now new requirements, signaling a new type of "paternalism," expressed through the imposition of restrictions for those who do not attend school, who have children while receiving assistance, and so on.

Schram (1995) has indicated that, over the past few years, not only Republicans but also the "New Democrats" (including President Clinton) have emphasized the need to reduce the dependence of the poor on government assistance and have promoted the idea that employment will lift them out of poverty.[16] Yet, Schram also points out that the so-called "post-industrial" policy only attempts to rationalize the inability of the economic system to generate adequate work opportunities for all. This can also be seen as a way to ignore the fact that only a limited number of well-paid jobs exist. By arguing in favor of the work ethic and reducing government assistance, policy makers are not taking into account the actual labor market conditions that many of the poor face, which

[16] President Reagan approved the Family Assistance Act in 1988, which established employment as a requirement for receiving public assistance. Likewise, since the beginning of his first presidential campaign, Clinton proposed to terminate within two years the public assistance policy, as it had been applied up until then, after having implemented a training program for those who would need to enter the work force due to the change in policy. Republicans have long insisted on the need to cut off assistance to young single mothers and their children (especially those receiving AFDC), as well as assistance to legal immigrants. They would replace the right to assistance with discretional aid that each state could provide as it deems necessary (Schram 1995).

leave them unprotected. All of these trends have taken shape within the recent public assistance reforms approved by Congress and President Clinton in mid-1996, which have sharply affected legal immigrants.

In Mexico, poverty alleviation programs are also planned and financed, in general, by the federal government; however, their operation depends on local institutions and social organizations. The fundamental characteristic of these programs is that they are targeted and in many cases, as in U.S. programs, individual or family eligibility depends upon income level. The most important poverty alleviation programs deal with nutrition, housing, and basic services (which are not included in U.S. programs). The longest running and most widespread nutrition programs have been the milk and "tortilla" programs, even though there are a number of others. These programs--implemented by the Desarrollo Integral de la Familia (Integral Development of the Family), an organization within the Health Ministry--provide school breakfasts, food supplies, and "popular kitchens," but cover only a relatively limited number of people. The milk program has been in operation for a long time, serving primarily the urban population; it has suffered from some modifications made as a result of recommendations presented by the World Bank for targeted programs. The "tortilla" program is newer and throughout its thirteen years of operation has also adjusted to economic and political changes within the country. Both have recently been placed under the Ministry of Social Development and are directed at families with incomes below or equal to twice the official minimum salary.

In the area of housing for the poor, the Fideicomiso Fondo de Habitaciones Populares (FONHAPO--Trust Fund for Public Housing), a federal institution established to finance specifically decentralized housing programs for the poor who cannot obtain housing either through the market or other government programs, was created in 1982. Programs that provide basic services for the poor, particularly water and sewer to those living in illegally established settlements, have been developed over the past few years through the Solidarity Program; the public services subprogram is well known for the large amount of funding it is allocated.[17] This important Program (which has shrunk considerably under the current administration for lack of funds, due primarily to the severe economic crisis which started at the end of 1994) offers help in obtaining basic services rather than direct payments, as is more common in the United States. Recently, emphasis has been placed on decentralizing this program, using the criterion of greater transparency in the transfer of funds from the federal to state governments (Ministry of Social Development 1995-96). Changes have also been proposed to improve the coordination of nutritional programs (linking them to a basic health and nutrition package). It has taken more than two years for these changes to take effect due to differences in the groups responsible for social policy (Sanchez 1996).[18]

[17] This Program has had an impact on the level of poverty in Mexico as measured by the NBI but has not affected the poverty line, which is based on family income.

[18] It was recently announced (*La Jornada*, February 19, 1997) that through a new program called PASE, aimed at Mexicans living in extreme poverty (whose actual numbers have been debated by different sectors of the federal administration), attempts will be made to link nutrition, health, and education to ensure that the beneficiaries receive preventative health care and that children complete at least a basic education. This new program will simultaneously promote the active participation of mothers in the health care and education of their children. Previous milk, tortilla, school breakfast programs, etc., would be replaced by one system through which families would no longer receive goods directly, but would be given a card that would allow them to purchase food supplies from a predetermined list.

It is not clear how the proposed reforms will be carried out by the current Mexican government, but it is evident that they were inspired by certain U.S. programs, or by the recent "post-industrial" social policies in the United States. This refers to the replacement of nutritional programs by a system similar to that of "food stamps" and linking this program with those designed for complementary health care and education. Although not explicit in Mexico until now, not complying with certain requirements (for example that children attend school or receive health care) could block eligible families from receiving food aid. This could lead to the same experiences as in the United States; that is, the establishment of a series of restrictions to tighten eligibility, simultaneously reducing the number of families that receive government assistance. Likewise, similar trends towards the decentralization of social policies and reduced federal government involvement in their development can be observed in both countries.[19] However, while this trend in the United States is partially the result of attacks by conservative groups, in Mexico there has been no open discussion between different political and social forces at the national level regarding the new direction that social policies should take. The changes that have taken place appear to have been influenced by international aid organizations or by the current serious economic crisis.

[19] This is in reference to the above-mentioned reforms to the Solidarity Program in Mexico and the recent reforms to public assistance programs in the United States.

The cases of Washington, D.C. and Mexico City

Thanks to the invitation from the Woodrow Wilson Center, we have had the opportunity to explore the circumstances of poverty and social policies in Washington, D.C. Research was based on local documents and interviews with community leaders in poor areas, local government officials, and nongovernmental organizations. In Mexico City's Metropolitan Area, investigations were carried out in four popular settlements over a period of two years, with the intention of learning, through direct contact with the poor and their organizations, how social policies were actually working (Duhau and Schteingart 1996, 1997). However, we would like to make clear that the information to which we had access in Washington, D.C. did not allow us to make more in-depth comparisons with Mexico City, where our work permitted a much more systematic evaluation of the above-mentioned programs.

Population, poverty, and urban development

Washington, D.C. (the District of Columbia), is one of a number of U.S. cities that has experienced an exodus of the white and African-American middle class populations. This has resulted in the development of large suburbs within the metropolitan area. However, because it is the capital city and Federal District, the suburbs lie within the neighboring states of Virginia and Maryland. This has posed serious fiscal problems for the District government that other cities do not face.[20] Moreover, according to city officials, the lack of many urban services from which the District is currently suffering is the consequence of these

[20] The higher income population living in the area do not pay taxes to Washington, D.C., although they work in the city. Worse, the District government cannot benefit from the redistribution of taxes raised by neighboring state governments.

fiscal problems. The city's special political situation must also be taken into consideration: Washington, D.C. does not enjoy full representation in Congress (it is a city without a state); it has only one Representative with voice but without vote. This is aggravated by the fact that currently Congress is controlled by the Republican Party and the city is ruled by a Democratic government, headed by an African-American mayor with strong populist tendencies and little credibility among the white population. The result is a paradox in which the capital of the most powerful country in the world, and an example of advanced democracy in the international arena, suffers from acute economic and political problems.[21]

Within the District, 66 percent of the population is African-American and 17 percent lives in poverty;[22] the latter statistic is especially high if compared with the percentage of poor--less than 5 percent--in other parts of the metropolitan area located in Virginia and Maryland. Although only 8.2 percent of the white population is considered to be poor, among African Americans the number jumps to more than 20 percent. The number of Hispanic and Asian

[21]This has generated a strong current of public opinion supporting modifications to the system. Similarly, studies on Washington, D.C. (Gillette 1995) have provided evidence (given that this is a capital city that was planned as such) that the stark contrasts between its monumental civic center and its social-physical decline and the lack of safety in its poor neighborhoods are the responsibility of the entire nation. This is so because they are linked to the District's judicial-administrative and political statutes and to the contradictions that result from a general policy to beautify the cities and policies aimed at assuring the social welfare of the entire population.

[22] This data is based on the latest Census, taken in 1990, which lists the inhabitants of the District at 607,000, a decline of 20 percent as compared with the 1970 Census. The number represents about 15 percent of the total population of the metropolitan area (which in 1990 was about 3,907,000). This places the Washington, D.C., Metropolitan Area as the seventh largest in the country and behind Atlanta in terms of having the highest level of suburbanization (Manning 1995).

immigrants has also increased considerably, although their numbers are still small relative to the total District population.[23] Nevertheless, these changes in the composition of the population have led to the conclusion that Washington, D.C., is being transformed from a biracial city into a multicultural metropolis (Manning 1995).

The poor reside mainly in the central part of the city, living together in housing projects built by the government (some seriously run-down due to lack of maintenance) or crowded in houses previously occupied by middle-class families. The quality of the structures and basic services is quite high compared with that in most poor settlements in Latin American cities. Lack of work,[24] family disintegration, low quality of public education, high crime rates, and drug trafficking are the most serious problems plaguing these neighborhoods. However, this does not mean that housing facilities and community services are also very limited.

Poverty in Mexico City has different characteristics. First, race is not a factor, and second, the distribution of poor neighborhoods within the metropolitan area is notably different. In Mexico City, as in other Latin American metropolises, the poor have colonized the suburbs through the creation of illegal peripheral settlements (located mainly in the state of Mexico).[25] In contrast to Washington, D.C., in Mexico, government resources to meet the

[23] Hispanics and Asians represent only 5.4 percent and 1.8 percent, respectively, of the population within the District, according to the 1990 Census. However, these numbers have grown significantly over the last few years (especially the number of Hispanics).

[24] According to Wilson (1996), in large American cities, in general, the ghettos located in downtown areas have always been poor, but the current level of unemployment is unprecedented. This produces the rise in poverty and social decay in these areas.

[25] Approximately half of the population of the metropolitan area (almost 9 million people) live in the Federal District. Since the 1950s, the spectacular growth of the metropolitan area began to affect the conurbated municipalities in the state of Mexico.

needs of the population living in these areas are much more limited. The Mexican Federal District does have political representation in the National Congress; however, the mayor was not democratically elected until 1997. Because statistics on poverty and its distribution among the various political-administrative subdivisions are not kept for the Mexico City Metropolitan Area, direct comparisons with Washington, D.C., cannot be made. It is estimated, however, that about 50 percent of the Metropolitan Area's population lives in settlements that were or are illegal, and which, especially in the last two decades, have been established within municipalities in the state of Mexico.[26]

Implementation of social policies targeted at the poor

The Mexican Solidarity Program was introduced late and in only a limited way within the Federal District. It was concentrated specifically in some of the poorer conurbated municipalities in the state of Mexico (mainly in Chalco). In Mexico City, the funds allocated by the Department of the Federal District to implement social policies have been greater than those provided by other state governments. Assistance programs in the U.S. capital, by contrast, have been directed toward poor neighborhoods located in central Washington, D.C., where mainly African American, and to a lesser extent, Hispanic families live.

[26] In settlements where families live in precarious housing, generally self-constructed by the families, and where basic services, particularly water and sewage, are introduced several years after the settlement has been developed, and after these originally illegal neighborhoods are regularized by public agencies.

Although more funds than in other areas of the country have been allocated by the U.S. federal government for assistance programs in the capital city, in recent years aid from the local government has been reduced.[27] This is in line with the overall trend throughout the country, as discussed above, and is also a consequence of the growing fiscal difficulties facing the District.

In spite of all the limitations of U.S. public assistance policies, the large number of initiatives and the energy devoted to serving the needy must be recognized. This was evidenced through our contact with poor communities, with the local government, and with nongovernmental organizations dedicated to developing assistance programs in Washington, D.C. Obviously, the number of programs, organizations, and individuals involved in this field is much greater than in Mexico City (especially if the size of the city and the much lower percentage of poor families is taken into consideration); for example, there are numerous private nonprofit organizations that operate with the help of volunteers with or without the financial support of governmental institutions.[28]

Within this complex world of organizations and initiatives aimed at the urban poor, we shall refer to the actions of the United Planning Organization (UPO), a nonprofit, nongovernmental organization through which the city government has implemented a series of social programs. This is an interesting case because the possibility of administering social policies through nongovernmental organizations so as to reduce the size of the state and heighten

[27] According to some of the local officials we interviewed, this has provoked the migration of numerous homeless people from other major urban centers in the country, sometimes sent to Washington by local authorities from these other cities.

[28] Many organizations operate simultaneously with private and public funding. We have been able to confirm that churches from different denominations participate in joint projects, contributing funds that are used in nutritional, housing programs, etc.

efficiency is currently being discussed in Mexico. It is important to point out that the UPO can be classified as an "agency for community development," as defined by the Economic Opportunity Act, passed by the federal government in 1964, which allows these types of organizations to operate with government funds. The activities of the organization, in compliance with the legislation, are focused primarily on employment, income, education, housing, nutrition, health, and emergency services. Some of these programs are implemented through a network of ten neighborhood centers located in various parts of the city. Others, which cover the entire city, are carried out by the organization's central office.

In general, these programs mainly help poor people by making contact with organizations, institutions, and businesses in order to assist them in finding work, looking for housing, and applying to other federal programs. Some of these other programs offer courses and seminars on improving skills and on health and nutrition, supply food and clothing to the destitute, or provide financial aid for trips to health care centers or the workplace. Analyzing the resources used in each of the centers in the network shows that they are limited but are used to attend to a large number of people. The UPO organizes meetings with the needy to discuss the programs underway, forwards their concerns to local authorities, and tries, through these contacts, to establish a permanent relationship between the poor and the government. This way of channeling public funds to the communities--which does not necessarily signify the privatization of poverty alleviation programs--is lacking in Mexican social programs. Nevertheless, it is clear that although these programs are a palliative for the most needy (which is sometimes quite important), they are not helping to raise families out of poverty.

In interviews, the leaders of popular organizations, especially those from Anacostia, a poor area of Washington, D.C. (inhabited mainly by African-Americans), rejected public policies and stressed the importance of implementing autonomous and self-administered programs; discretionality and the lack of coverage in government programs did not appear to be important issues. In the Mexico City Metropolitan Area, however, the central problems that emerged from investigations conducted in four illegal settlements (Duhau and Schteingart 1996, 1997) dealt with the targeting and coverage of social programs for the poor. Some of the problems in this area were related to inadequate communication between government institutions and the poor. As a result, eligible families were misinformed and did not have access to the goods and services provided by these social programs. Major difficulties were noted also in reaching the target population, either due to technical problems involved in administering the programs or to biases in political management. For example: (1) in practice, it is difficult to determine real family income, especially in a city with a large informal sector; (2) the cost of systems to detect and analyze periodically the target population is high, and the parameters used to define which families should be included or excluded from the program are inadequate;[29] (3) there are problems implicit in geographical targeting; that is, low-income families that do not live in "poor" settlements--for example, areas where there is a certain degree of social mixing--are excluded from these programs; (4) political biases result

[29] For example, the figure for determining a common ceiling on family income is not kept current in relation to purchasing power and does not take into consideration the number of children or family members. According to this method of calculation, a family that earns the equivalent of two minimum salaries and has two children is not poorer than another family which earns the equivalent of three minimum salaries but has five children.

from clientelistic relationships, primarily between the official party and the poor population. In some instances, these biases are the result of the role played in managing the programs by institutional and social intermediaries (as in the case of FONHAPO), especially when groups and not individuals are targeted.

Measuring the coverage of these programs presents additional problems according to the good or service that is being provided to poor families;[30] for example, Duhau and Schteingart (1996) discovered that the Liconsa milk program benefited only 36 percent of all eligible children. Moreover, the available statistics on housing programs like FONHAPO, demonstrates that houses built over the 14 years since the program was launched covered only 20 percent of the new housing needs that had emerged during that period. To targeting and coverage we can also add discretion or lack of transparency in the selection of beneficiaries and the distribution of resources, which vary according to the kind of good or service being offered, but also depend on the limited funds allocated to help potential beneficiaries. In general, these resources are insufficient to adequately address the needs of the target population and cover only a small number of people.[31] As mentioned above, some level of organized community participation is included as part of the programs for the poor.

[30] On one hand, there are programs that provide goods that should be periodically and permanently delivered to a group of beneficiaries, as in the case of nutritional programs. On the other hand, there are examples of programs, such as housing programs, that are administered only once and for a long period of time; they also require maintenance and services, for example, potable water and sewer systems. With respect to the first type of program, the degree of coverage is defined in terms of the percentage of the target population that actually benefits from the program; normally, only approximate figures on coverage can be obtained. The second type of program functions on the idea of a "deficit," either an accumulated deficit or new needs that are created annually.

[31] For example, in the case of FONHAPO, the argument of scarce resources is used to implement this program in an uneven manner, according to the political leanings of the individuals who meet the requirements for participation. Furthermore, approval of a Liconsa milk supplier in a low-income neighborhood can be subject to the interests of the local authorities. In the case of PRONASOL, evaluations show that unequal attention is paid to different communities and that the program has been misused for political goals.

However, it should be made clear that this participation means, generally speaking, the contribution of money or labor by the poor in order to receive a good or service; it does not influence decisions on how the programs are implemented. In some cases, participation, specifically by women, implies not only major sacrifices but also being treated badly by the people who are in charge of implementing these programs in poor neighborhoods (Duhau and Schteingart 1996).

Some Final Reflections

This attempt to observe and compare poverty and social policies for the poor in the United States and Mexico has had a number of limitations. In addition to the difficulty in finding corresponding data that would allow comparisons to be made, problems also arose as a result of the two distinct theoretical and intellectual traditions, as well as from differences in how the issue is treated within the political sectors of both countries. Furthermore, although the debate on social policies within the United States takes place mainly between conservatives and liberals, in Mexico it has been influenced by ideas from outside of the country, primarily from international organizations. It is therefore interesting to observe what happens in the United States, a country upon which Mexico is increasingly dependent. It is also important to discover how this affects new policies currently being proposed in Mexico.

Although this is an exploratory work, and an initial attempt to conduct a comparative study between two countries at very different levels of development and with very distinct urban issues, we believe that we have been able to show certain convergences. More important, we have placed a few of the

criticisms concerning social policies in a developed country in perspective by comparing them with the deficiencies and limitations found in a country like Mexico. This was primarily the result of initial comparisons between the capital cities. Still, it is essential in any future work that more in-depth studies be conducted on the relationship among poverty, social policies, and the organization or politicization of the sectors involved in both countries. In the case of Washington, D.C., for example, there were many grassroots organizations concerned with solving immediate problems, but the poor population was very dispersed and nonpolitical.[32] Although this also occurs in Mexico City, we believe that as a result of the democratization process currently underway in that country, grassroots organizations are more concerned with linking social issues to the political situation and gaining access to power.

We have touched upon the connection between poverty and work or employment in only a general way, highlighting its importance in the United States with respect to public assistance policies. It has also been noted (Schram 1995) that widespread references to current social policy do not take into consideration many of the consequences of post-industrialism and, therefore, readily accept reductions in state aid citing the "dependence" of the poor on social policies. In Mexico, although for different reasons, recent major criticisms of the Solidarity Program have also emphasized that it has not been able to generate new sources of employment, a key component, particularly during the present economic crisis. This weakness casts doubt on the achievements attained through the Program.

[32] The problems that poor migrant groups, especially Hispanics, face addressing their demands to the government, often due to their illegal status and the fact that they do not enjoy the same rights as citizens, must also be mentioned.

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