



## **PUBLIC POLICIES AS A GOVERNMENT CHALLENGE TO FIGHT AGAINST POVERTY IN SAN LUIS POTOSÍ**

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### **ABSTRACT**

*Poverty and social marginalization in San Luis Potosi are associated with scattered and often populations living in small villages. These populations are closely related to primary economic activity, with little possibility of entering the national and much less international market, despite having large endogenous capacities. The main purpose of this paper is to present the efforts of the Mexican government to decipher the puzzle of poverty and society. These are structural issues that can only be solved with innovative frameworks. Unfortunately, the Mexican government, employing inappropriate strategies for combating poverty, tends to get lost in the complex system of the national economy that mitigates the efforts of combating poverty and social exclusion. That is why local governments in San Luis Potosi, are exposed to serious risks of improvisation and failure in their policy to combat poverty and social exclusion.*

**Key Words:** Poverty, Public Policies, Government challenge

### **1. Introduction**

This is an ongoing study based on a real situations prompted by my experience (Dr. Louis. Mballa) as a Teacher of the subject "Strategies to combat Poverty and Social Exclusion" to students of the eighth semester of the Bachelor in Public Administration (LAP) at the School of

Accounting and Administration (FCA) of the Autonomous University of San Luis Potosí (UASLP). Indeed, poverty is recurrent in the social conditions in Mexico; So, families deploy a number of strategies to satisfy their basic needs.

The development of any country depends largely on its strategic and administrative capacity in its mode of planning and implementation of public policies to help the socio-political and economic development of the various actors involved in the functional dynamics of the State. Therefore, in this paper, we will consider the executing part of the Public Administration, as the essential platform capable of generating substantial changes for the future of citizenship. Actions towards the recovery of potential of poor and marginalized people should be based on the constant search for balance between the imperatives of public policies and social goals, in order to obtain a shared vision and values of the principles that shape the society. This perspective firstly allows us, to break down the current paternalistic approach to development without widespread results in the human development of Mexicans and secondly, helps to establish a concrete basis for channeling efforts targeted at improving the economic and social development. These two perspectives can facilitate the emergence of "new ways of channeling" development.

Such actions, initiatives and strategies should be generated from a political platform. Similarly, coordinated actions between different levels of government at all levels (federal, provincial, municipal and local) and other actors (academics, business, civil society, etc) allow for important economic and social development of local communities (Mballa, 2013b).

Moreover, the analysis of the formulation, implementation and evaluation of public policies to combat poverty in San Luis Potosí, as the core of this paper is an integral part of the search for an understanding of the logic of actors involved in the process of transforming the economy and society of San Luis Potosi. With the results to be achieved, it could overcome the difficulties and challenges in public policy, seeking to improve the living conditions of the population through determined and concerted actions among different socio-economic, public and private actors for a more efficient and sustainable use of existing local resources (Pike, 2006). This process should produce good results by linking scientific variables of formulation, implementation and evaluation of public policies on combating poverty in the Province of San Luis Potosi. This, in turn, can lead to the gradual mitigation of individual deficiencies. In this approach, the importance of social capital and cooperative links with external agents to

potentiate the human, technical and financial resources, among others, must also be considered, in order to strengthen the local development (Cardoso, 2004).

## **2- Previous Research: From Local Needs to Poverty in Mexico**

Today, Mexico is involved, among others, in two important processes: in the economic sphere, it is engaged in an ongoing process of integration into the international economy. Regarding the political and social situation, the country is undergoing a process of deepening democracy. However, the two processes are complex and are often characterized by forgetfulness in terms of the "local issues". These transitions are key aspects that influence Mexican State policies at all levels of government, as well as in the lives of citizens, whose real needs are neglected.

Local needs generally originate from the deprivation of the people, in their desire to raise their standard of living. The study of the satisfaction of human needs has led to the development of different theories, of which the best known is the "Theory of Human Needs" developed by the American psychologist Dr. Abraham Maslow. Also, one of the goals of Mexican governments at all levels (at least in their rhetoric) is precisely to provide resources to individuals so they can satisfy their needs.

Moreover, the intensification of the lack of basic needs leads to a degree of poverty that is related to the lack of capacity to generate jobs, marketable services and infrastructure that allow them to interact with other economic and labor sectors. The measurement of poverty has been investigated in several national and international institutions. In general, the methods of measurement refer to the level of income that a household needs to meet basic needs (food, health, education...)

According to statistics from the Economic Commission for Latin America and the Caribbean (ECLAC) between 2006 and 2011, all Latin American countries, except Mexico, managed to reduce poverty by 6.9 percentage points on average. During the same period at the regional level, the indicator fell from 36.3% to 29.4%. According to the "2012 Social Landscape of Latin America" presented by ECLAC in November in the Chilean capital Santiago, in 2006 poverty in Mexico was 4.6 points lower than the regional average and the same with homelessness. In 2011, both indicators exceeded the Latin American average: poverty by 5.9 percentage and homelessness by 1.9 percentage points. That had never happened before. On the list of eighteen

countries included in the 2012 Social Landscape ECLAC, Argentina has the lowest incidence of poverty, with 5.7% of the population, followed by Uruguay (6.7%), Chile (11.0%), Costa Rica (18.8%), Brazil (20.9%) and Panama (25.3%); (Mballa, 2013a).

However, the agency estimated that in Mexico the percentage of population in poverty conditions jumped from 31.7% in 2006 (the year Felipe Calderón assumed office) to 35.3% in 2011. And last but not least, homelessness in Mexico increased from 8.7% to 13.3% in that period, which entails an increase of 4.6 percentage points. Mexico is among the six poorest countries in the region, after the Dominican Republic (42.2%), Bolivia (42.4%), Paraguay (49.6%), Nicaragua (58.3%) and Honduras (67.4%)

ECLAC allege that their method of measurement of poverty features are different from the one used by the Mexican National Council for Evaluation of Social Development Policy (CONEVAL) because the Mexican institution takes a multidimensional measurement, while the UN agency only measures household income. However, ECLAC and CONEVAL agree that poverty in Mexico has increased in recent years. Similarly, according to Corda (2012), in Mexico, the Social Development Secretariat considers that 54% of Mexican live in poverty, indicating that they survive with less than 4 USD a day, while 32% do so with less than 2.5 USD and 24% with less than 2 USD. From this perspective, the poorest states in the country are Chiapas, Guerrero, Oaxaca, Tabasco and Durango because they contain high percentages of the indigenous population.

Generally in Mexico, poverty and extreme poverty are associated with populations living in small towns, scattered and often isolated. These populations are closely related to the primary economic activity, with little possibility of entering the local market and much less to the international one, despite possessing competitive aspects. One cause for this is the isolation and lack of transport and communications structure. Access to paved roads with continuous maintenance is limited; small roads or gaps interconnect other locations, which are often inaccessible especially in bad weather.

Indeed, the unequal distribution of wealth has concentrated the National Income in certain sectors, such as those specifically dedicated to the export of goods and services, neglecting others like agriculture, small- and medium-sized businesses on which local development relies heavily. In order to control the challenges of local economic and social

development, it is necessary to include several indicators in the analysis, ranging from forms of governance, to social capital and associative efforts. This should clarify the relations between productive networks and poverty, backwardness and social marginalization (Madoery, 2003).

### **3. Research Questions**

- 1- Why despite the large investment and resources for combating poverty and social exclusion, have the targets not been met?
- 2- To what extent, do the social policies implemented by the federal government in Mexico feed poverty rather than fight?
- 3- How much do the policies for combating poverty in San Luis Potosí follow the logic and process of planning, implementation and evaluation of the results?

### **4. Research Objectives**

- 1- Produce a theoretical and empirical study on the scope and application of the concepts of poverty, formulation, implementation and evaluation of public policies
- 2- Analyze the process of combating poverty on the agenda of the (federal, province and municipal) governments in Mexico
- 3- Design a theoretical and conceptual framework of strategies for fighting poverty from the perspective of formulation implementation and evaluation of public policies

### **5. Main Hypothesis and relevance of the research**

Planning, implementation and evaluation of public policies are fundamental tools for multidimensional development in Mexico; however, governments at all levels, with incongruous philosophies of planning, implementation and evaluation based on politicized decision-making, tend to get lost in the complex, huge and turbulent area of the national economy. This type of government approach mitigates the potential of public policies in its role as a catalyst for local development in general and the fight against poverty in particular.

The objectives and questions raised above establish the importance and relevance of this research for two reasons:

- 1) It allows us to seek and find the potentials and dysfunctions of public policies when it comes to fighting against poverty in San Luis Potosí. The dysfunctions we are talking about certainly guide the agenda of governments towards an inefficient policy.
- 2) It allows us to design an ad hoc conceptual framework for the formulation, implementation and evaluation of strategies for fighting poverty based on the real economic and financial capacity of the local governments of San Luis Potosí.

## 7. Overview of San Luis Potosí

San Luis Potosí is one of the 32 federal units that make up Mexico. It is located in Mexico's central plateau. Its official name is the Free and Sovereign State of San Luis Potosí. With a total area of 63,068 km, it is the fifteenth largest state (province) of Mexico in term of land size.

Map 1: Location of San Luis Potosi



Source: Google Map

The state of San Luis Potosí is rich in culture, heritage and history. It borders nine other states: Nuevo Leon and Coahuila in the north, Tamaulipas in the northeast, Veracruz to the east, Hidalgo in the southeast, Queretaro and Guanajuato in the south, Jalisco and Zacatecas to the west. San Luis Potosí has a profitable location in the Mexican territory because it is surrounded by the three largest and most profitable cities in Mexico: Mexico City, Monterrey and

Guadalajara. It is also a close to the four major ports of Mexico: Tampico, Altamira, Manzanillo and Mazatlan. In addition, its varied climate, highways and rail networks, facilitate the trade. All these features make San Luis Potosí as one of the states with the greatest potential for foreign investment to implement in all types of business.

The province's strong economy is based on several factors, such as tourism, industry and geographic location that allow the rapid transport of products to almost anywhere in Mexico. However, this economic development is seen only in the metropolitan area of the state capital. This has caused great waves of migration and a rural exodus from villages and suburbs to the metropolitan area, and to other nearby states such as Nuevo Leon and Tamaulipas, and mainly to the United States (Mballa, 2013 b).

The economic development of San Luis Potosí has been weakened by political and social problems that have adversely affected the perception of public safety in the state and in the area. However, in recent months it has experienced economic growth (especially in the metropolitan area of San Luis Potosí), due to local policies that have taken advantage of its geographical location. Nowadays, San Luis Potosí has developed a large number of industrial parks that have driven the manufacturing and industrial sector. Despite this, there is a fiscal burden on state taxpayers.

The lack of information networks, corporate support, training on entrepreneurship and other factors, prevents opportunities from reaching the poor people. This situation is certainly one of the causes of the rise of poverty and social exclusion in San Luis Potosí.

## **8. Theoretical Framework: Public Policies as a Tool to Fight against Poverty and Social Marginalization.**

### ***8.1 Three Approaches to Understanding Poverty***

Throughout this research, we try to take a multidisciplinary theoretical approach to enrich the debate on this very complex issue, the relevance of which to the empirical level is essential. However, we try to guide the discussion on two theoretical perspectives that, far from being

parallel or opposed are complementary: the Theory of Planning and the Theory of Decision-Making, which are essential in the development of Public Administration Theory.

Poverty, in its broadest sense, is associated with living conditions that violate human dignity. The condition of poverty limits the rights and freedoms of the people by preventing them from meeting their basic needs for their full social integration. The production of poverty is a complex phenomenon in which different processes interact (economic, social, political, cultural and ethical)

In the international system and policies, there have been several debates, theories, models and analysis systems of social reality in response to the unknown production and reproduction of poverty. Also, the narrow-minded attribute much of the causes of poverty to the market, with its neglect of social realities. Therefore, Cimadamore (2008) views poverty as actions that perpetuate and reproduce injustice and inequality in attempts to fit poor people to the capitalist pattern. Meanwhile, Alvarez Leguizmon (2008) posits that the causes and persistence of poverty in Latin America are associated with political attacks between actors on decision-making in the continent. The critical social approach considers that the production and persistence of poverty is related to structural factors such as dependency, imperialism, corruption and demagoguery of the dominant local, national and international actors.

In connection with Institutional Theory, Mota-Diaz (2009) focuses on the figure of the State to analyze and explain the production and reproduction of poverty. Since the beginning of colonization, the State has focused on the defense of the interests of a minority that is institutionally protected by the decision-making actors. Throughout the centuries, the State has remained a principal actor, ensuring the specific conditions of appropriation and distribution of resources.

Although there are a variety of theoretical approaches to identify what makes an individual poor, there is a growing consensus about the multidimensional nature of the phenomena of poverty and social marginalization. To scientifically analyze the phenomenon of poverty, there are, thus several interesting approaches.

- The indirect or livelihoods approach
- The direct or basic needs approach



- The capabilities approach

The indirect or livelihoods approach studies the causes of poverty based on the lack of resources, essentially income, as well as physical and human capital. This interpretation focuses on the distributional issue: the lack of resources suffered by the individual or household is its main concern. The direct approach focuses on the manifestations, thus focusing attention on the forms and lifestyle, customs and attitudes of the poor. The capabilities approach incorporates structural explanations for the causes of poverty (Flores, 2012).

Extreme poverty is defined as a level of income, which does not even allow one to consume the minimum amount of food, necessary for having enough physical energy. Moderate poverty is defined based on normative pattern of consumption and the amount of income of families successfully covering many of their basic needs. In extreme poverty, there are no opportunities to overcome economic and social progress. The marginal condition is so severe that in extreme poverty, they are not likely to access any opportunity for growth and development.

Whatever the approach used to explain the issue of combating poverty, there is largely a converging focus toward the importance of the social impact on the poor and especially the need to improve the socioeconomic conditions of disadvantaged people.

## ***8.2 Social Marginalization as a Structural Phenomenon***

Marginalization is a structural phenomenon originating in the manner, style or historical patterns of development. The processes that shape marginalization make a precarious social structure of opportunities for citizens, families and communities, exposing them to hardship, social risks and vulnerabilities. These conditions escape to control of families and communities, but could be solved via the active collaboration of public, private and social actors. For Moreno, social marginalization is the way that people express dissenting behavior. However, in some cases these individuals with discrepant behavior are not only considered misfits but can become fashionable and influence cultural behavior (Moreno, 2001).

Despite its multidimensional nature, forms, intensities and social implications, marginalization can be approximated via synthetic indicators. As will be shown, these analytic-descriptive measures are extremely useful for development planning, since they differentiate territorial units

according to the intensity of the deprivation suffered by people. Thus, it is very important for the government to establish an order of priorities in public policies in order to improve the lifestyle of the population and strengthen the distributive justice at the regional and local levels.

The social marginalization index is a measure that differentiates the locations of the overall impact of the deficiencies that affect the population. The Mexican government has defined dimensions of marginalization based on three main variables: education, housing and income. Article 3 of the Mexican Constitution establishes that access to basic education is a right for all Mexicans. Without doubt, the greatest level of social marginalization arising from the lack of participation in the educational system is recorded in the uneducated population or those who lack the knowledge that can be acquired at the first level of basic education. The population living in dwellings without electricity, running water and sanitary infrastructure is exposed to higher impairments regarding the enjoyment of a long and healthy life. This situation also hinders children's ability to learn, among other crucial deprivations in the lives of families.

The available opportunities for people to have a decent standard of living are determined by a variety of factors. These include possibilities of ownership, access to essential satisfactions related to the state's social spending (such as education and health), as well as possibilities for competitive participation in the labor market.

In economies where the market plays an increasingly decisive role for allocating resources, income determines the capacity to purchase goods and services. In short, we can say that social exclusion comes from a situation of permanent conflict between the individual and society, determined by the interaction of the person with economic, social, cultural and political factors. Unmet demands generate maladjustment, which can be found when a subject's burdens are high and cannot be resolved. In qualitative and quantitative terms, poverty and social exclusion can be fought by designing efficient tools of public policies.

## **9. Results: Four factors to fulfill Government Challenges**

A development perspective based on the formulation, implementation and evaluation of public policies to combat poverty in San Luis Potosí, requires the political determination of many actors. Establishing a relationship between economic growth and poverty should lead ipso facto

to a decrease of poverty and internal migration (rural exodus). To do so, it is important to implement a new state policy, which should focus on the revitalization of the local environment. That is the fundamental assignment of the protagonists in the decision-making process regarding the planning, implementation and evaluation of public policies in Mexico.

Furthermore, the formulation and implementation of public policies in Latin America and the Caribbean has recently gained renewed interest. High rates of poverty and inequality continue to influence the political changes that are occurring in the region. Experience has shown that, for the successful formulation and implementation of public policies, it is necessary to take into account real data (as far as possible) on the society as a whole, derived from the cultural, social, economic, religious, political and institutional levels.

Basically, according to Perez (2003), it is very important to consider four aspects as critical and successful factors in the formulation, implementation and evaluation of public policies:

- 1) The commitment of the actors responsible for making decisions to identify the real needs of the population, in order to set policies and design mechanisms to reach the objectives;
- 2) The openness to participation of beneficiaries in the design, implementation, control and monitoring of the whole process, in order to give greater transparency and legitimacy to balance the needs of the people with government policy;
- 3) The relationships between entities responsible for the provision of services and implementation of development programs; this could lead to the essential intra- and inter-sectorial coordination of the different agencies involved in the process, based on the premise that the ideal treatment involves the virtuous combination of different actions;
- 4) The fight against "short-termism", that terrible deviation that leads people to want to achieve results immediately, without understanding that the gravity and complexity of the social misfortunes that affect society require for its eradication, from short-, medium- and long- term interventions and visions.

Indeed, the concerns of justice, social solidarity and combating citizen' deficiencies should be the basis for conceiving and designing public policies; this approach illustrates the recognition of the fact that people in the gaps of society', excluded from the State's productive dynamics, need multidimensional support from actors who are the center of the decision-making process. In this

sense, Aguilar (1993) after having raised several questions about how the government's agenda takes into consideration public problems believes that there is a disruption between those two variables (government agenda and public problems) in Mexico. This inconsistency and disjointed way of making public policy strongly affects the daily lives of citizens.

Most theories on development coincide on two essential points:

- 1- The need to implement a planning processes
- 2- The need for information systems with a multidimensional and multifactorial approach

These two points allow the government to make *decisions* and develop strategies that bring its policy closer to the integral development (Salazar, 1986). In the field of local development, the planning process is conceived as a scenario of communication between government and citizens with an emphasis on the participation of the citizens in decisions to delineate a Local Development Plan (Tello, 2006). Likewise, the Development Plan should emerge from a deep process of decision-making to build a bridge between government, communities and other local entities. The plans must set the orientation of public spending and promote the equitable distribution of opportunities and benefits as basic factors of local development. This must also respond to a view of planning as an ongoing permanent activity of decisions about development based on the implementation, monitoring and evaluation of public policies.

In fact, the Theory of Decision-Making focuses on the study of the processes of decision making from a rational perspective. This means that the decision is a true reflection process and as such, rational and conscious, deliberate and deliberative. Also, a central question in the analysis of the decision-making is the role of decisions within the dynamics of local development. Indeed, the view that planners have on local development is one of the main determinants of the decisions taken in this regard. Similarly, if the decision-makers see local development as a process for which they only need to allocate economic resources without humanitarian conviction and epistemological foundations, the results will reflect an incongruous and unfinished process. The allocation of financial resources, selection of development projects and prioritization of problems are theoretically recognized as the key moments in decision-making for solving public problems such as poverty.

## 10. Summary and Concluding Remarks

The poor material conditions and their impact on the daily life of citizens explain the need for conceiving new multidimensional public policies on social development. In Mexico, these policies should focus on the issues of housing, basic income, training and labor to offer real opportunities to break the cycle of poverty through the real improvement of the people's material conditions. Health and social welfare actions alone are insufficient for addressing the situations of marginalization and poverty. The fight against the precariousness of the poor and marginalized requires effort.

It is important to consider the fact that political manipulation of social programs seems to be the rule in Mexico's recent history. As shown throughout this paper, to explore ways of public issues based on the planning, implementation and evaluation of public policies is to understand the construction and functions of intermediaries between the government and citizens. Social programs, without transparency or control mechanisms established by the society, have historically been used for electoral purposes in Mexico.

Also, in order to redefine the methods in the fight against poverty, it is essential today that the centers' of decision-making should establish cohesion between the theoretical and empirical dimensions, in order to dilute the tension between belief and illusion, between rhetoric and reality, between what is and what should be the living conditions of the poor people in Mexico. It is the balance between these aspects that can give a human face to public policies with two fundamental aspects:

1. The conception of humanity as a whole (horizon of current debates about inequality, polarization, asymmetry, discrimination, xenophobia, etc.)
2. The conception of the human person as unique versus the dehumanization of inter-social relations, as a product of hyper-globalization and economic liberalism. (Mballa, 2014)

This scenario suggests the importance of thorough research on new models for fighting poverty and social marginalization. More than anything, the rationalization of the battle against poverty is a very important intellectual operation that exceeds the simple desire to support local development. It is a matter of general administration, and public management in particular that should be based on the logic of inter-institutional planning to reduce the gap between political

speeches (which are often empty and demagogic during elections) and implementation of a true integral human development policy.

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