

**“Scholars Who Became
Practitioners: the Influence of
Research on the Design, Evaluation
and Political Survival of Mexico’s
Anti-poverty Program
Progresa/Oportunidades”**

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What is *Progresa/Oportunidades*?

- The largest anti-poverty program in Mexico's history, *Oportunidades* is a conditional cash transfer program (CCT) that targets rural and urban households living in extreme-poverty.
- Launched in 1997 as *Progresa*, the program changed its name to *Oportunidades* in early 2002, shortly after President Vicente Fox took office.
- Designed to complement traditional supply-side government spending in education and health (e.g., schools, teachers, hospitals, doctors, etc.), the demand-side subsidies (e.g., the cash transfers) in *Oportunidades* are meant to promote school attendance and health-care check-ups for poor children.
- The cash transfers help reduce poverty in the present and the conditions households must meet to receive the transfers help build the human capital of poor children.
- Thus, the program addresses short-term poverty and its inter-generational transmission concurrently.
- There are approximately 5 million beneficiary households.
- The program costs around 0.4 percent of GDP.

Main Points

- Mexico's *Progresas/Oportunidades* conditional cash transfers program (CCT) is constantly used as a model of a successful anti-poverty program.
- I argue that the transformation of well-trained scholars into influential practitioners played a fundamental role in:
 - Promoting a new conceptual approach to poverty reduction
 - Ensuring the technical soundness and effectiveness of the program
 - Incorporating rigorous impact evaluation
 - Political survival
 - Disseminating the new CCT “technology” to many countries around the world quite rapidly

Who were the key scholars-practitioners?

Leading actors:

- Ernesto Zedillo: research area at Bank of Mexico; Minister of Education; Mexican President (1994-2000) when Progresa was implemented (1997)
- Santiago Levy: professor at ITAM and Boston University; designed pilot program; Under-secretary of Budgeting (1994-2000) when Progresa was implemented
- Jose Gomez de Leon: professor at the Colegio de Mexico and other places; became Progresa's first director (1997-2000); included impact evaluation component from the get-go

Supporting actors:

- Nora Lustig: professor at Colegio de Mexico; senior fellow at Brookings; was Senior Advisor and Chief of Poverty and Inequality Unit at IADB when Progresa was launched; promoted the inclusion of the impact evaluation component and facilitated the interaction between Progresa staff and leading scholars in impact evaluation; organized the first meeting on how to integrate impact evaluation into Progresa's implementation in December 1997, a few months after the program's official launch
- Lawrence Haddad and others at IFPRI (International Food Policy Research Institute in Washington DC)

Influence of Research in promoting a new conceptual approach to poverty reduction

- Research had established that targeted price subsidies such as tortilla and other food price subsidies in Mexico were not really helping the poorest of the poor or improving nutrition among the poor in a significant way
- The generalized (urban) consumer subsidy was gradually replaced by targeted tortilla (Tortibono) and milk (Liconsa) subsidies.
- Even though the share of the benefits accruing to the poorest quintile rose, these two programs were costly to operate and mainly urban.
- The general tortilla subsidy was scrapped in 1998, and resources previously used for food subsidies were reallocated to rural areas through *Progresa*.
- This shift transformed the broadly neutral distribution of government spending on food subsidies into a highly progressive one: the share of government resources accruing to the poorest decile increased from 8 in 1994 to 33 percent in 2000.

Influence of Research: Ensuring technical soundness and effectiveness of the program

- Research had established that paying attention to targeting mechanisms to avoid leakages and negative incentives was crucial. Policymakers paid great attention to targeting mechanisms.
- Research had also been instrumental in showing the importance of intra-household dynamics and why it was better to grant resources to women/mothers than men/fathers for the transfers to be more effective in building poor children's human capital.

Influence of Research: Ensuring technical soundness and effectiveness of the program

- According to Behrman (2007), Santiago Levy suggested that research had influenced the design of *Progresa* regarding:
 - (a) the ineffectiveness of previous food aid strategies (e.g., not well targeted, inframarginal income effects, high transaction and bureaucratic costs of in-kind programs; limitations of supply-side interventions),
 - (b) the importance of intrahousehold allocations and therefore the need to make programs be conditional on benefits received by all household members,
 - (c) related gender concerns, and
 - (d) that food problems are not the same as nutritional problems.
- Levy's World Bank paper on "Poverty Alleviation in Mexico" (1994) included many of the ideas that underlay the development of *Progresa* and features 71 references with named authors.

Influence of Research: Ensuring technical soundness and effectiveness of the program

- José “Pepe” Gómez de León, the program’s first Director was committed to find a targeting method that would minimize perverse incentives such as making beneficiary households work less so that they would not pass the income threshold that assured them of benefits. He was keen in making the program efficient, cost-effective and as apolitical as possible.
- A quantitative demographer/sociologist by training, Gómez de León directly contributed to the formalization (i.e., the mathematical formulation) of the targeting mechanism.
- This gave rise to the SUP, the confidential formula used by *Progresa/Oportunidades* to select beneficiaries.
- Gómez de León knew about the research by such distinguished scholars as Behrman, Gertler and Schultz, as well as other outstanding work at the International Food Policy Research Institute (IFPRI) and the World Bank, both in Washington, DC.

Influence of Research: Incorporating rigorous impact evaluation

- Very early on, Gómez de León recognized that the program's ability to survive political attacks would depend on demonstrating *Progresas's* success in achieving its goals through rigorous external evaluations undertaken by internationally recognized scholars.
- As a result, "... *PROGRESA* incorporated data collection and systematic evaluation as an integral component from the start, with an initial experimental design in rural areas with random assignment for the first 18 months of treatment among 506 rural communities (320 with treatment starting in 1998, 186 initial controls with treatment starting in 2000) with over 24,000 households and over 120,000 individuals in the evaluation sample over the 1997–2000 period and with subsequent control samples selected through propensity score matching (PSM) in both rural and urban areas.
- Indeed one major reason that *PROGRESA* is so wellknown has been the centrality of efforts at serious evaluation from the start—in contrast to other ... anti-poverty and human resource investment programs (particularly in Brazil) on which information has not been collected to permit systematic evaluation.

Influence of Research: Incorporating rigorous impact evaluation

- The first large-scale impact evaluation of the program was facilitated by the Poverty and Inequality Unit at the IADB, led by Nora Lustig
- IFPRI was contracted by the Mexican government to undertake the initial evaluation of *Progresa* in 1998–2000, followed by a series of contracts for subsequent evaluations to date by the Mexican *Instituto de Nutrición y Salud Pública*.
- The government has been willing to share the rich database of *Progresa/Oportunidades* surveys with scholars, including students working on their theses and dissertations.
- As a result, *Progresa/Oportunidades* is probably one of the most studied programs in the developing world. It is important to note that a substantial portion of the research on the program is published in top refereed journals and thus it has been consistent with combining practical relevance with succeeding in academia.
- Many (but not all) of the impact evaluation studies found that the program has had significant (in the statistical sense) positive impacts on education and health.

Influence of Research: Political survival

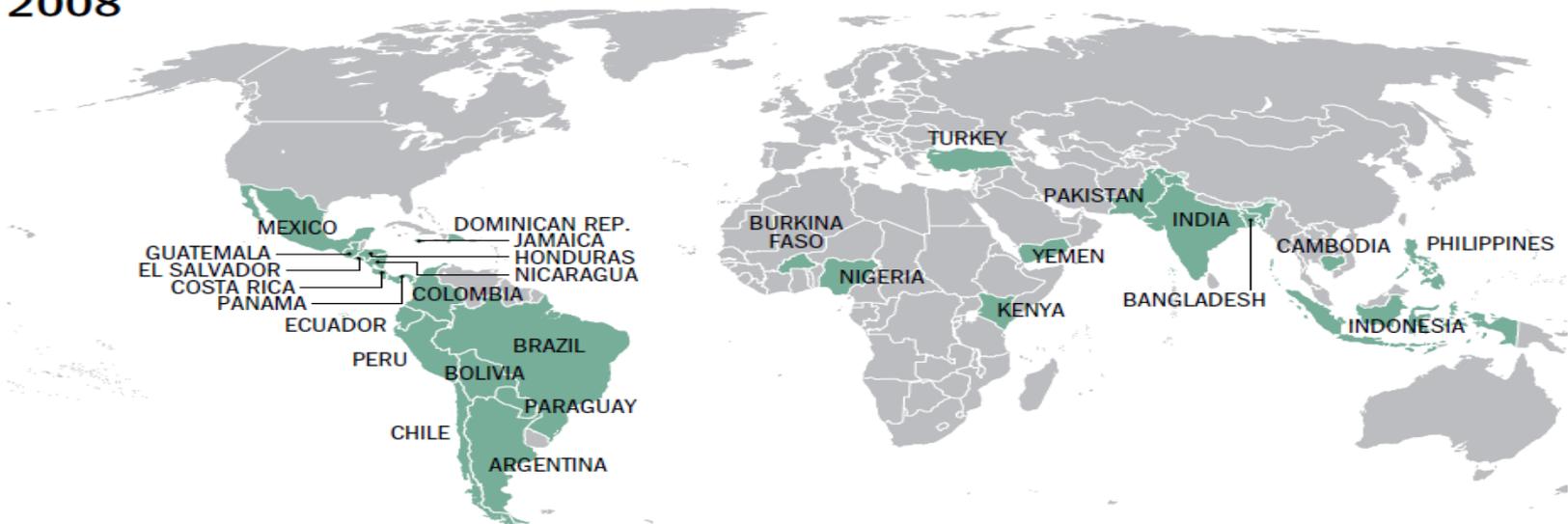
- In December 2001, when Vicente Fox took office, *Progresa* faced a serious risk of being scrapped.
- The author had an opportunity to meet with Fox's Minister of Social Development, Josefina Vázquez Mota, very early in the administration. Vázquez Mota was skeptical of *Progresa*.
- A good number of social policy analysts (including the author) wrote columns on the importance of keeping *Progresa*, citing the impact evaluation results as evidence of its success in reducing poverty and improving school attendance and health outcomes among the extreme poor.
- In the end, the program survived with a vengeance.
- Under Fox's administration *Progresa*—re-baptized *Oportunidades*—was expanded to semi-urban and urban areas and the number of beneficiaries increased from 2.3 to 4.2 million households. Miguel Székely, a former researcher at the IDB, was appointed Undersecretary in the Ministry of Social Development and the new director of *Oportunidades* was a member of the late Gómez de León's team.

Influence of Research: dissemination of CCT technology to other countries

1997



2008



“Lessons”

- Scholars and scholarly research have been part of *Progresas/Oportunidades* since its inception. A fundamental factor was that the practitioners who had a key role in the design, implementation and evaluation of the program had been scholars themselves at some point in their professional careers.
- President Zedillo had been a researcher at the Bank of Mexico upon completing his Ph.D. in Economics at Yale. Zedillo had great respect for sound and relevant economic theory and empirical analysis. He was very critical of Mexico’s existing consumer and producer subsidy schemes and was quickly persuaded by the arguments put forward by Santiago Levy and others regarding the implementation of an anti-poverty program as *Progresas*. From previous experience, Zedillo knew that the program’s ability to survive beyond his *sexenio* would depend on not making it his “personal” initiative (as it had happened with Pronasol under Salinas). In addition, Zedillo must have thought that keeping the program independent from multilateral organizations would increase its chances to survive politically as well.
- Santiago Levy, the program’s intellectual architect in its pilot phase, has a Ph.D. from Boston University and for many years was an academic at the Instituto Tecnológico Autónomo de México (ITAM) and later at Boston University itself. Before joining the Mexican government in the early 1990s, Levy spent some time doing research on poverty and NAFTA at the World Bank.
- José Gómez de León, had a doctorate in demography and worked as an academic at El Colegio de México for several years.
- Nora Lustig, who has a Ph.D. in Economics from the University of California, Berkeley, had also been an academic at El Colegio de México before joining the Brookings Institution in 1989; from Brookings she joined the IDB in 1997.
- All four were scholars or researchers who became practitioners; and, to some extent,
- all four were practitioners who continued to do scholarly work (and some of them became scholars again).

“Lessons”

- There are some reasons to believe that the presence of scholars-practitioners can increase the chances of success of a policy intervention (including the decision to scrap it if research shows it doesn't work)
- Incorporating scholars with organizational and political skills into leadership positions, particularly with control over spending decisions, can increase the probability of successful outcomes and their dissemination.
- Scholars-practitioners are more likely to emphasize data gathering and evaluation exercises and build them into the initial design of an intervention to be able to demonstrate success (or failure) and make changes to improve the policy's impact.
- In addition, scholars-practitioners are more likely to share data and results from evaluation exercises widely, through both mass and technical media, a process that is essential to build political/intellectual constituencies.
- Finally, scholars-practitioners can play a major role in spreading knowledge about successful interventions in multilateral institutions and public policy programs.

Additional Food for Thought

- The influence of research on policy is relatively common in regards to Economics
- Is this the case because research is used as an advocacy tool or for genuine policy improvement? Often for the former purpose
- Is the fact that such influence exists good for policy outcomes? Unclear: financial deregulation and crises, for example; structural adjustment and growth performance, for example

Thank you!