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U.N., World Bank Reports Shine Spotlight on Continuing Poverty in Mexico

by LADB Staff

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Reports released by several international organizations in October brought attention to the continuing problem of poverty in Mexico and the disparities among the Mexican population. One report in particular pointed to the continued huge disparities in Mexico between wealthy and impoverished communities and neighborhoods.

The report, published by the UN Development Program (UNDP), used the UN Human Development Index (HDI) to rate 2,426 major Mexican cities and towns based on the life expectancy of their residents, available education programs per capita, and the level of capital investment that flows into the areas. The UN has used the development index to rate the communities of the world every year since 1990. This was the agency's second study on poverty conducted in Mexico, following up on a report compiled in June 2003.

Like the earlier report, the latest UNDP study found that standards had risen slightly in Mexico but that the gap between the rich and the poor remained wide (see SourceMex, 2003-06-25). Thierry Lemaesquier, the UNDP's representative in Mexico, said one of the clearest trends in Mexico was the growing inequality between some rich neighborhoods in Mexico City and some extremely poor communities in the rural south. "We are saying that the inequality particularly in the rural states is so marked and deep that the problem requires a new perspective to be solved," Lemaesquier said.

UN report contrasts rich and poor communities

The report found a handful of communities whose high standard of living was comparable to counterparts in Spain, Germany, and other European countries. This list included the delegations of Benito Juarez, Coyoacan, Miguel Hidalgo, Tlalpan, and Cuauhtemoc in southern Mexico City, and the nearby suburban community of Metepec in Mexico state. San Nicolas de los Garza and San Pedro Garza Garcia, two communities in the Monterrey metropolitan area, were also among the list of wealthy neighborhoods.

The UNDP said the wealth in these communities was a stark contrast to the extreme poverty found in some neighborhoods in Mexico City like Tlahuac, Iztapalapa, Cuajimalpa, Magdalena Contreras, and Xochimico. The report found poverty even more pronounced in some rural communities in the impoverished southern states. In some instances, the poverty in these towns was comparable to some of the more underdeveloped communities in Africa, the UNDP said. The town of Metlatonoc, in Guerrero state, scored the lowest on the HDI. Other communities on the low end of the list were Tehuipango and Mixtla de Altamirano in Veracruz state; Sitala, Santiago el Pinar, and Aldama, in Chiapas state; and Coicoyan de las Flores, San Simon Zahuatlan, Santa Lucia Mihuatlan, and Santa Maria la Asuncion in Oaxaca state.

The UNDP's findings coincided with other reports that tied the high rural poverty to increasing hunger. In a study released in August, the Confederacion Nacional Campesina (CNC) said that as many 75% of Mexicans who lack adequate nutritional intake live in rural communities. Furthermore, the report said 70% of indigenous children do not have enough to eat. "It is the obligation of the government to take the appropriate actions to ensure the right to food for everyone," the CNC said.

Hunger worsens in rural areas

The government's own data backs these reports. The Secretaria de Desarrollo Social (SEDESOL) estimates that 300,000 extremely impoverished families in Mexico are suffering a nutrition crisis where they do not have regular access to food. SEDESOL, which released its data as part of the annual World Food Day commemoration in Mexico, said some of these families are able to occasionally obtain food, but then go for several consecutive days without adequate nutrition. "This is not to say that other families do not suffer hunger, but malnutrition is more frequent at certain levels of poverty," said SEDESOL.

The Food and Agriculture Organization (FAO) estimates that one of every five Mexicans lives in extreme poverty. Norman Bellino, the FAO representative in Mexico, did note that the percentage of the population living in extreme poverty has declined slightly since 2000 but the improvement has not been sufficient. "[Mexico still faces] a very serious problem," said Bellino.

Poverty and hunger are also a growing problem in metropolitan areas, affecting as many as 26.5 million persons. One of every five families in Mexico City lives in poverty, said deputy social development secretary Rodolfo Tuiran.

The World Bank, also addressing the issue of poverty in Mexico, released a report in October criticizing the Congress and the federal government for failing to implement a comprehensive tax reform, which would give the government more funds to devote to anti-poverty programs.

The executive and legislative branches will also have to examine how existing revenues are allocated, said Isabel Guerrero, the World Bank representative in Mexico. She noted that more than half the Mexican budget is devoted to debt service, salaries, and other obligations, which creates difficulty in reassigning funds to fight poverty. Some organizations such as the Organization for Economic Cooperation and Development (OECD) have recommended that Mexico overhaul its food-subsidy programs to ensure more efficient allocation of resources.

The OECD, which counts Mexico among its members, issued a report in October recommending that Mexico eliminate direct subsidies for milk and tortillas because many of the recipients were already receiving government support for these food items through other programs. Critics, however, say that government programs have not done much to reduce poverty in Mexico. "It is false that a reduction of poverty is the result of social programs implemented by the government," said Enrique Hernandez Laos, a researcher at the Universidad Autonoma Metropolitana (UAM) in Mexico City.

Hernandez criticized the methods by which the government and international organizations measure poverty reduction because they are based on "suppositions, estimates, and unscientific

evaluations." In most cases, these studies do not take into account the impact of the economy on the population, he said.

The UAM researcher said the economic crisis that followed the devaluation of the peso in 1994 left a deep wound from which Mexico has been slow to recover. "We have become poorer because of a lack of economic growth," he said in an interview with the Mexico City daily business newspaper *El Financiero*. (Sources: *Unomasuno*, 10/19/04; *Notimex*, 08/10/04, 10/04/04, 10/24/04; *La Jornada*, 10/25/04, Spanish news service *EFE*, 10/25/04; *BBC*, 10/26/04; *El Financiero*, 10/12/04, 10/25/04, 10/27/04; *The Herald-Mexico City*, 10/26/04, 10/27/04; *El Universal*, 10/27/04)

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